Canada as Copper Producer

Railways That Raise Provincial Taxes

Largest Circulation
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Financial Paper

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Canadian Mining
News Department
Page 14

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The Nation's Business

No Clear View Possible of 1932 Prospects

But Some Factors Very Hopeful

Montreal Star is Converted

A Look Ahead Into 1932

IT IS perhaps futile to attempt to forecast with any degree of accuracy the business trend in 1932. There are some very hopeful factors in the situation. Business concerns have largely deflated their costs and are in many cases in a position to break even on the present low volume of trade. There is some evidence that the severe decline in commodity prices has practically spent itself although it must be assumed that the readjustment of wages, and values, and prices of manufactured products to this lower level of raw material prices will continue. The world-wide credit crisis which was such an upsetting factor in business in 1931 is, in the opinion of able economists, past, although many of the problems engendered by it are still with us. The importance of these three factors is very great.

* * *

BUT there is still the greatest uncertainty in many matters of key importance. There are two factors in the situation upon which world attention will be concentrated for some time yet. The first is reparations and war debts. If a reasonable attitude toward the adjustment of these is taken by all the leading nations a most oppressive weight bearing down upon business can be lifted.

The second is the question of the value of money—whether or not those who favor a process of inflation to correct the price level and ease the strain as between debtors and creditors can bring their views to fruition. The alternative of course is a continuation of the relentless process of deflation. There are those who consider such a course the only way.

* * *

IF A forecast of 1932 could safely be hazarded it would be fair to prophesy that international indebtedness and the course of money values throughout the world will be the two big issues of 1932. Practically all of the others—including Germany's finances, disarmament, the maintenance or restoration of the gold standard or even its abandonment by some countries now on it, tariffs—are but branches of these two key problems.

Internally in Canada there can be little doubt what our most important objective should be. We must not rely upon hopes of a rapid reversal of the price movement to stimulate prosperity and ease the strain upon producers and borrowers, including governments. We must continue to get down our costs of production, whether on the farm or in the factory or in the sphere of government. We have tried spending as a stimulant to prosperity and it has failed to do us any good; we should make 1932 a cost reduction year.

* * *

New Converts to Economy

ALL over Canada, public opinion is focussing upon the one dominant need of today—an all around reduction in our national costs of production and particularly in the cost of government. Many of those who are now giving support to the campaign for drastic curtailment in governmental spending are recent converts to the principle that governments should spend the taxpayer's money efficiently; they are individuals and newspapers that formerly supported every socialistic or spending scheme that promised to distribute money in their own communities. The fact that so many people have changed their minds upon the elasticity of governmental treasure chests is evidence of the unanimity that is being reached on this question. Governments must take heed.

* * *

THE FINANCIAL POST, as one of the newspapers that foresaw the present financial troubles of our different governments and warned against them long ago, cannot but feel some satisfaction that among the newspapers that have finally taken a business-like attitude toward public finances is the powerful Star, of Montreal. Until recently the attitude of the Star was truly distressing. As recently as August, when it undertook to discuss the proposed salary cuts in two Western provinces, it raised a most vigorous protest against any such move on the ground that it would reduce the purchasing power of the community. Why should the provinces worry about their financial condition? They could borrow all the money they liked and keep on spending and thus create prosperity at the expense of posterity. This was the burden of the Star's summer song. But now that winter is here the Star sings another tune and a much better one.

* * *

IN AUGUST, the Montreal Star said: "If any business in the country can afford to keep up its

(Continued on page 2, col. 2)

HOTELS HURT BY VAGARIES OF EXCHANGE

Travellers of U. S. Firms Recalled as Orders Decline

AFFECTS ROOM SALES

Montreal Hotels Strive to Combat Lowest Activity in Past Ten Years

From Our Own Correspondent

MONTREAL.—Leading hotels in Montreal will close the year with business at the lowest point in the past decade. Patronage has fallen off steadily during 1931 as a natural result of business conditions but the vagaries of exchange are blamed for the impasse with which hotel managers are confronted at the moment.

Those in touch with the situation explain the hotels' difficulties thus: In normal times travelling salesmen from the United States have constituted an important portion of the year-end business for sales activities are generally conducted at a high level at this time of year. With the Canadian dollar selling at a 20 per cent discount demand from local importers has fallen off to such an extent that many firms in the United States have found it unprofitable to keep their salesmen in Canadian territory.

While this situation is regarded as satisfactory by the Canadian manufacturer, an analysis of registrations in leading Montreal hotels shows that patronage of representatives of American firms has fallen off by about 75 per cent. This, coupled with reduced regular and tourist business, has combined to bring about the existing plight.

First Six Months Fair

Up to the middle of the year hotels had been able to offset the decline in gross revenue by drastic cuts in operating expenses. Various policies were adopted which enabled them to keep profits at a relatively satisfactory level; for the first half year net earnings of the Mount Royal Hotel actually showed an increase over the same period in the previous year due to the sharp cuts which had been effected in working costs.

The same, however, cannot be said for profits of the larger hotels in Montreal at present. Floors have been closed off, staffs have been reduced, every effort has been made to offset the wide drop in patronage, but the reduced spending power of the public is now finding reflection in earnings.

Tourist Business Declines

Reports that depreciated Canadian currency would lead to increased tourist business, so far as the hotels were concerned, are scoffed at. It is pointed out that the premium which the American dollar commands has not been a sufficient inducement to attract more tourists; there is, in fact, a very definite lack of spending power in evidence.

Proof of the decline in luxury buying was well illustrated in a check-up on the dining room of a large hostelry in Montreal recently. On a holiday, over 1,000 guests had been served at various functions such as tea, dinner and a supper dance. This was a satisfactory volume of business and in normal times would have netted a relatively large revenue. An analysis of the dinner checks, however, showed that, exclusive of the cover charge, the average check totalled exactly 70 cents, indicating ginger ale and a sandwich as opposed to champagne and chicken à la king in more prosperous days.

Adapt Services to Public

What the hotels are doing to counteract their troubles provides an interesting sidelight on how costs can be cut when necessity dictates and how the managements are adapting their various facilities to meet best the public demand. There are certain controllable expenses which are checked to the nearest cent each day in an effort to bring expenditures in line with income. Uncontrollable expenses, embodied in empty rooms, are another problem. There are cleaning expenses, laundry, supervision, elevator service and many other items which mount up rapidly in connection with non-produc-

(Continued on page 2, col. 3)

Northwestern Power May Defer Interest

From Our Own Correspondent

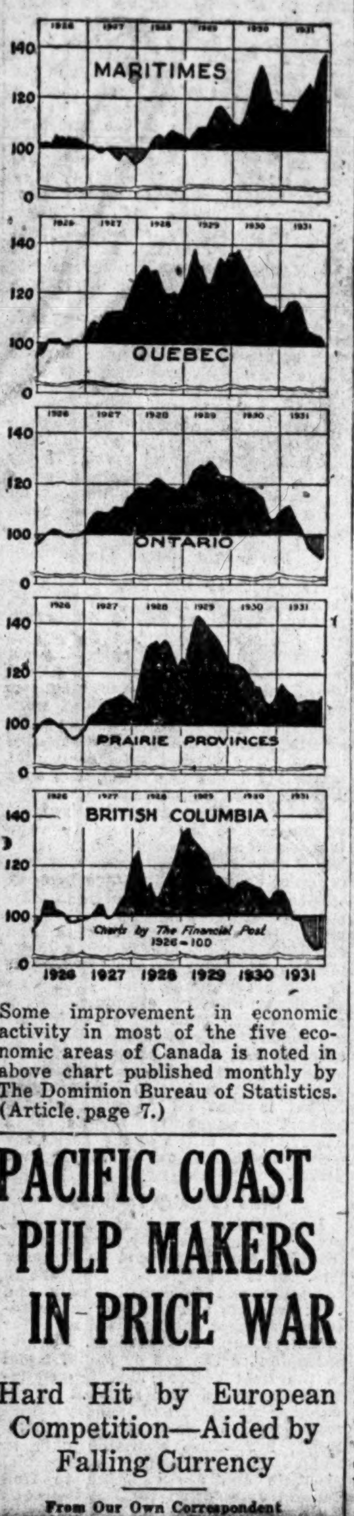
MONTREAL. — Unofficial reports state that Northwestern Power Co., subsidiary of Winnipeg Electric Co., will defer payment of its bond interest due January 2, 1932 and take advantage of the 90 days grace allowed under the trust deed. The company has outstanding $10,000,000 of 6 per cent first mortgage bonds, guaranteed as to principal and interest by Winnipeg Electric Co.

Interest on the Northwestern Power issue is payable in New York funds as well as in Canadian gold coin and this factor may have a bearing on the reported deferment of interest payments. The bonds were first publicly offered in January, 1929 at 98 to yield 6.15 per cent.

The company's plant, located at Seven Sisters Falls on the Winnipeg River, was formally opened on July 15. The power station has been completed to house three main units each of 37,500 horsepower or a total installed capacity of 112,500 horsepower. Eventually three more units will be added, bringing the total designed capacity to 225,000 horsepower.

The plant, however, is at present operating under a partial head of about 41 feet which permits the three installed units to produce about 55,000 horsepower. A steel tower transmission line of 110,000 volts has been constructed to carry the power to Winnipeg, 63 miles distant.

Areas Show Improvement



Some improvement in economic activity in most of the five economic areas of Canada is noted in above chart published monthly by The Dominion Bureau of Statistics. (Article page 7.)

PACIFIC COAST PULP MAKERS IN PRICE WAR

Hard Hit by European Competition—Aided by Falling Currency

From Our Own Correspondent

VANCOUVER.—The Pacific coast pulp industry has been hard hit by competition of European producers and the results of buying newsprint mills to use the pulp units as pawns in a battle of prices.

Many sulphite pulp mills have sprung up on the coast in recent years as a result of the domestic pulp insufficiency and the abundant supply of low cost pulpwood. Practically all of this new pulp tonnage, now amounting to nearly 400,000 tons annually, moves into domestic markets, being absorbed by paper mills located elsewhere than on the Pacific coast.

"Mushroom" Growth

Most of the "mushroom" growth of the pulp industry has been confined to the states of Washington and Oregon, but pulp manufacturers in British Columbia have been adversely affected by the situation, and the conditions which have depressed the pulp market have largely contributed to the recent slashing of newsprint prices on this coast which has had the effect of creating here the lowest price newsprint zone on the continent.

The kraft market has also had its effect on the general situation on the coast. Sulphite prices were squeezed when the new kraft tonnage began to apear on the market, and this tendency has continued during the period of depression.

Foreign Competition Serious

In the last quarter of 1931, with most of the pulp exporting countries off the gold standard, the situation, has become difficult for the pulp producers on this coast. Foreign mills continued to pay their workmen in depreciated home currency and sell their product in the United States for as much as 25 per cent premium. British Columbia pulp, by reason of the depreciated Canadian dollar, has been at a slight advantage over some United States pulp, but it has been obliged to meet the competition of European producers to a greater extent than before.

The following figures will show how foreign newsprint, as a result of the exchange situation, has been making inroads into Canadian business with American ports on this coast. Apart from the limited

(Continued on page 2, col. 5)

CANNERS MEETS ADVERSE YEAR BY NEW LINES

Taps Other Business as Competition Makes Staples Profitless

PAYING DIVIDENDS

Strong Working Capital Position Gives Company Edge Over Most Competitors

In the face of an oversupply of tomatoes, corn and peas and price-cutting on an almost unprecedented scale during 1931, Canadian Canners have decided to continue dividends on a scale only slightly under recent levels. The directors are paying a quarterly dividend of 17 cents a share on the convertible preferred on January 2, 1932, in place of the last dividend of 20 cents a share. This entailed automatically a reduction in the common dividend to five cents a share for the quarter, or at the rate of 20 cents annually. If the convertible preferred dividend is reduced to a basis of 60 cents annually the common dividend would be extinguished at that point, recovering later by 25 cents a share for every 10-cent advance made by the convertible preferred dividends.

Old Profits Help Now

Undoubtedly the whole canning industry in Canada has been traversing a most difficult period and Canadian Canners has not been exempt from the general conditions facing the industry. The remarkable advance made in the previous five years, however, in liquid strength of the company stands it in good stead now. The company is able to finance its own business requirements without aid from the bank, and this has given it an edge over competitors on every can of goods sold. The company has given more intensive attention as well to quality of goods and to research in order to make new types of canned goods which will meet special markets not otherwise touched. Advertising campaigns have been maintained or even increased along well defined lines and a strong working capital position has been preserved to meet the needs of the future.

The company's fiscal year ends on February 28, and the general results of the year will probably determine the dividend policy for the remainder of 1932.

Makes Many New Lines

The fact that the company began the year with working capital of $7,000,000 has permitted it to devise and promote new lines which are expected to be a permanent addition to earning capacity. For example, this year begins with the company introducing a whole series of new Aylmer infants' foods. Leading specialists on diet of babies have been consulted and the result is contained in attractively labelled small cans of strained vegetables and fruits for babies' use. The aim has been to preserve the natural minerals and vitamins essential for body-building. Eight varieties include strained asparagus, beans, carrots, tomatoes, spinach, peas and prunes.

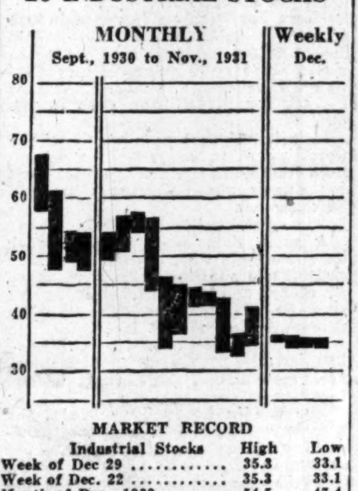
The company has also produced a new whole kernel corn product after many months of research. Considerable success has also attended the company's work in canning pineapples at St. Catharines, the pineapples coming from the West Indies and 66 per cent of the cost as represented by labor, cans, labels, boxes and marketing being provided in Canada. In the endeavor to work up in Canada even foreign fruits which have become desirable to Canadians, the company has also paid special attention to grape fruit bought from specially selected Florida farms and shipped to Canada in through refrigerator cars.

Considerable attention is being paid to the market provided by the British Isles and attractive window displays of Aylmer products can be seen in chief British cities.

The company has also introduced into the market a new Aylmer clam chowder soup. The tomato cocktail of the company had an encouraging reception in 1931.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Dec 29	35.3	33.1
Week of Dec. 22	35.3	33.1
Month of Dec., 1930	54.5	47.4
8 Bank Stocks		
Week of Dec. 29	216	216
Week of Dec. 22	216	216
Month of Dec., 1930	247	237
10 Public Utilities		
Week of Dec. 29	56	55
Week of Dec. 22	57	55
Month of Dec., 1930	84	75

This Was 1931 in Canada

Purchasing power has decreased 20.4 per cent from 1930, according to an estimate made by The Financial Post Business Year Book.

Industrial production has decreased 7.9 per cent and the physical volume of business 9.7 per cent in the first nine months of 1931.

Wholesale prices have dropped 9.7 per cent and the retail price group, including food, fuel, rent, clothing and sundries, has dropped 9.9 per cent in the first ten months of 1931.

Agriculture—Value of field crops in 1931 is 31.7 per cent less than a year ago. Gross value of all agricultural products is 22.4 per cent less than 1930, according to an estimate made by The Financial Post Business Year Book.

Mineral Production—Volume of gold produced in the first eight months of 1931 is greater than in the same period of 1930 by 31.4 per cent, silver is down 19.1 per cent, nickel is down 28.5 per cent, copper is down 0.4 per cent, lead is down 14.9 per cent, zinc is down 2.6 per cent, coal is down 20.6 per cent, natural gas is down 5.4 per cent and petroleum is up 23.1 per cent.

Foreign Trade—Imports declined 38.0 per cent in value for first 11 months of 1931 as compared with 11 months of 1930, and exports declined 32.6 per cent in value.

Production of pig iron for first ten months was 42.3 per cent lower than 1930. Steel production for ten months was 29.4 per cent lower, newsprint for 11 months was 12.3 per cent lower, number of automobiles for 11 months was 46.0 per cent less, volume of boots and shoes was increased 2.6 per cent for first ten months and flour production was down 8.5 per cent for first ten months as compared with a year ago.

Imports of key products declined in volume as follows: rubber, 16.9 per cent; cotton, 6.1 per cent; sugar, 2.3 per cent; coal, 25.4 per cent. Imports of petroleum increased 1.4 per cent.

Exports of key products declined in volume as follows: Newsprint, 12.3 per cent; automobiles, 63.8 per cent; wheat, 7.0 per cent; wheat flour, 43.8 per cent.

Car loadings to December 19 were 18.38 lower than a year ago.

C. N. R. gross earnings to December 21 were 20.32 less than a year ago and **C. P. R.** gross earnings for same period were 20.22 less than a year ago.

Electric power output for ten months was 8.2 per cent less than for the same period of 1930.

Construction permits were 31.4 per cent less than a year ago in first 11 months and contracts awarded were 32.6 per cent less.

Automobile financing of used cars for first ten months was 36.6 per cent less than for the first ten months of 1930 and financing of new cars was 29.9 per cent less for the same period.

Failures in first 11 months were 6.9 less in number than in the same period of 1930, but liabilities were 8.63 greater.

Bank debits in first 11 months were 16.04 per cent less than in same period of 1930.

Bond sales were greater by 73.37 per cent in first 11 months than in same period of 1930.

Insurance sales for first 11 months are 14.7 per cent less than in same period of 1930.

Emigrants were 72 per cent less in first ten months and immigrants 75 per cent less than in first ten months of 1930.

NICKEL IN 1932 HAS ADVANTAGES OVER LAST YEAR

Stanley Foresees Economies as Modernization Complete

Robert C. Stanley, president, International Nickel Co. of Canada, believes that in 1932 the company will have certain definite advantages which were lacking in 1931.

The successful completion of its modernization programme makes possible important economies in operation.

The organization last autumn of Consolidated Platinums, Ltd., as a British corporation for the marketing of the platinum metals whether of Russian, South African, Colombian or Canadian origin, gives promise that both the industrial users and the jewellers can make their plans with greater confidence in price levels.

The year opens, also, with the leading copper producers of the world acting voluntarily in concert for a radical curtailment of production to 26½ per cent of capacity. As a result, he believes that the companies affected are in better shape both to carry on under depressed conditions and to serve more intelligently and efficiently the needs of a world slowly recovering its consumer vitality.

Copper separation and refining are now accomplished at Copper Cliff, Ont., and overseas at Acton, England, the precious metal refinery has been improved to a point where it can take care easily of the company's output of platinum metals.

Vatican Makes Nickel Coins

Mr. Stanley in a statement concerning the experience of Nickel in 1931 gives interesting information as to the number of directions in which nickel has been applied for the first time or the use of it has been extended. On May 25, 1931, the Vatican state currency became legal tender throughout Italy. That currency includes the 234,000 pure nickel coins in denominations of twenty and fifty centesimi and of one and two lire. The Vatican State is the twenty-fourth nation to include pure nickel tokens in its official currency, some 3,000,000,000 coins having been struck from this metal since the Swiss Government first adopted pure nickel coinage in 1881.

Nickel clad steel, which had its experimental development in 1930, found a definite use in 1931 in tanks of heavy construction in which are handled materials corrosive to iron and not corrosive to nickel. It has been used as the body sheets of caustic evaporators which are fitted with nickel tubes, making the whole process of evaporation possible without contact of the caustic with steel or copper. Its use in tank cars for caustic has been extended.

One of the large automobile producers in using nickel plating in many of the plants in solutions of high hydrogen iron concentration. This permits faster plating.

Though chromium plating is competitive in one sense to nickel, it is also helping in maintaining a nickel market as the chromium finish is most successful where it has been plated on a comparatively heavy nickel plate or base.

Nickel Steel Alloys

Development work has been carried on in 1931 with encouraging results for the purpose of developing a nickel steel for ship hull plates and deck plates, making a substantial saving in weight with the use of high strength nickel steel.

"Some ships have already been

(Continued on page 2, col. 5)

Rail White Elephants Burden to Provinces

Third Article in Series Outlining Some of the New Ways Canadian Governments Have Found to Spend Money

ITEM THREE — SOME PROVINCIAL RAILWAYS

EVERY school boy knows that one of the chief causes of rising taxation in Canada* is government railways. Canada has not merely one railway problem. It has a number of them. The Dominion government went behind in 1931 to the extent of more than $100,000,000 on account of its investment in the Canadian National Railways. At the same time, several of the provincial governments in 1931 collected in taxes large sums of money necessary to pay interest on white elephants and dead horses. Only one of the provincial railway investments shows any moderate degree of financial success. This is the Temiskaming and Northern Ontario Railway, owned by the province of Ontario, which will, this year, turn in an operating surplus of about $800,000. But this operating surplus is not clear profit for the province. The province has advanced about $30,000,000 for the construction of this railway and five per cent interest on $30,000,000 is $1,500,000. So the taxpayers of Ontario pay approximately three-quarters of a million dollars a year interest charges on their railway. No doubt, a great many people consider the Temiskaming and Northern Ontario Railway to be an excellent investment for the province. It has opened up a very great agricultural country and has been the means of access to such bonanza mining camps as Porcupine, Cobalt, Kirkland Lake, and some smaller ones. All of these advantages would have come from a privately-owned railway paying its own way.

Pre-War Guarantees Have Proven Costly

In the other provinces, the railway burdens are the result of ill-advised guarantees of pre-war promotion. That the people of these provinces were genuinely of the belief that the projects they guaranteed would be financial successes as well as development successes can not be denied. Neither can it be denied, however, that the projects were undertaken under the stimulus of cleverly devised propaganda of promoters and contractors who were seeking an immediate profit on construction and financing more than an ultimate profit on successful railway operation.

It may be argued that no good can come now from retelling the past or even the present history of these unsuccessful railway ventures. Unfortunately, one cannot close the chapters of economic history with the wave of the hand, and when a province assumes liabilities in connection with a guarantee, a subsidy or a cash investment, it must continue to stand behind the interest charges until the loan is paid off. And provincial loans are notoriously long in being liquidated.

Even today the provinces and other governments enter with light spirit and high hopes into projects, the ultimate cost of which can not be estimated. It was, for instance, a simple matter for the western provinces to guarantee wheat pool loans from the banks, but it may be many years before the guarantees are wiped off, or the provincial liabilities erased. The provinces enter into telephone, power and other schemes with as little thought of the future as was shown when they entered into pre-war railway ventures, and if there is any value in telling the history of some of these, it is certainly because the past experience should prove a warning for the present and future. The present generation is paying the cost of the mistakes of the past generation and it should be careful not to pass on the expense of new and serious mistakes to the next generation.

Some Unsuccessful Provincial Lines

The creation of one transcontinental railway out of the Canadian Northern Railway, the Grand Trunk, the Grand Trunk Pacific, the National Transcontinental and the Intercolonial Railways, together with some smaller local lines, transferred practically the whole burden of the loss on these railways to the Dominion government and through that government to those who pay taxes to the Dominion government. In doing so, the merger lifted from the shoulders of the provinces serious contingent liabilities under the guarantee of bonds of the railways now comprising the Canadian National Railway system. But, unfortunately, the provinces were not able to foresee which of their ventures could eventually be handed over to a paternal Dominion, and so they have run into serious problems based upon other railway ventures.

From among the several railway white elephants undertaken by the provinces, three may be selected as typical and dealt with from detail. These are the Pacific Great Eastern Railway in British Columbia, the various railways in Alberta now comprising the Northern Alberta Railway, and that gigantic political fraud upon the people of New Brunswick, the Saint John and Quebec Railway.

Alberta's Experience With E. D. and B. C.

In 1907, the Edmonton, Dunvegan and British Columbia Railway was incorporated. Construction was started in 1912 by private promoters, aided by a guarantee of the bonds by the Province of Alberta. Bonds were finally guaranteed to the extent of $9,420,000.

Before the war, the Province of Alberta guaranteed bonds to the extent of $7,400,000 of the Alberta and Great Waterways Railway, also running northward from Edmonton.

Another northern project was Central Canada Railways, subsidiary of the E. D. and B. C.

Further south in the province, private promoters undertook the construction of a railway northwesterly from Lacombe, aided by the government guarantee of bonds to the amount of $273,000.

All of these projects proved financial failures, although they had

(Continued on page 3, col. 2)

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* This series of articles is designed to outline some of the reasons for rising taxation in Canada. Previous articles appeared December 19 and 26.

MOORE CORP. ENDS ITS YEAR IN GOOD SHAPE

Paying Preferred and Common Dividends in U. S. Money

REDUCED BONDS

Met Lower Business Volume With Reduced Prices and Drastic Economies—Liquids Strong

Moore Corp. earnings in 1931, despite reduced volume of sales and lower prices for products, were sufficient to enable the company not only to maintain dividends on the two classes of preferred stock and on 313,971 no par value common shares but to keep the company's financial strength and all reserves at as high a point as ever in its history. Until final write-offs are made it would be premature to say that the earnings account will show the company able to make as large reserve write-offs as in other years and to pay dividends on common stock without some trenching on reserve but The Financial Post understands that results for the year have been sufficiently good to make the continuance of the common dividend through 1932 probable so long as there is no further drop in the activity of general business.

Is Well Entrenched

Moore Corp. has been entrenching itself in its particular field as a holding company whose subsidiaries are engaged in the manufacture of sales books, manifold books and forms, Flatpakit autographic registers and continuous business forms both in the United States and Canada. The depression has been made the occasion to do intensive work in putting the operations of the company on as near a rock bottom basis as possible. Lower business volume and falling prices have been met with drastic operating economies and the establishment of processes and machinery which have also stepped up efficiency to a marked degree. The company, aside from its current earnings position altogether, is at the present moment in a better position to take advantage of any improvement that comes in business than at any time in its career. This applies to the companies operating in the United States such as American Sales Book Co., which has its plants at Niagara Falls and at Elmira, N.Y., Pacific Burt Co., which has plants at Emeryville and Los Angeles, Calif. and Seattle, Wash., Gilman Fanfold Corp. with plant at Niagara Falls, N.Y., Cosby-Wirth Manifold Book Co., with plant at Minneapolis, Minn., Moore Business Forms, Inc., with plant at Brooklyn, N.Y., Niagara Fold, Inc. with plant at Niagara Falls, U. P. M. Kidder Press Co. with plant at Dover, N.H., and Moore Research Co., Inc., which carries on research at Niagara Falls, N.Y. on behalf of all the companies, and applies even more to Canadian subsidiaries such as Burt Business Forms, with a plant in Toronto and Western Sales Book Co. with plants at Winnipeg and Vancouver.

Bond Totals Are Lower

The consolidated income account of Moore Corp., when it appears in about two months, will show net earnings before bond interest and depreciation but also after the calling or purchase for the sinking fund of $137,500 of outstanding bonds for the sinking fund. This will reduce to $570,000 the American Salesbook Co. 6 per cent first mortgage bonds due 1939 which on January 1 stood at $660,000, and it will leave outstanding $157,000 of Pacific Burt Co. 6½ per cent first mortgage bonds due 1937 as compared with $204,500 at the outset

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SPECIAL FEATURE

European Bonds—Article Four of a Series

ADVANCE RULING ON VALUATIONS FOR BONDS ONLY

Insurance Companies Await Orders on Corporation Securities

BIG DEPRECIATION

Survey by The Post Shows That Present Values of 1930 Holdings Down $287,000,000

Preliminary instructions regarding valuation of securities held by insurance companies, issued by the Superintendent of Insurance, Ottawa, cover the valuation of government and municipal bonds and debentures only. Companies are still awaiting valuations for other types of securities.

Present authorizations permit valuations as follows:

(1) Securities held at December 31, 1930, and not since disposed of, may be valued as at December 31, 1930—except in the case of certain government and municipal securities as detailed below, for which specific valuations are given; and

(2) Securities acquired during 1931 will be taken in at book values.

Specific valuations referred to in (1) are as follows:

Special Valuations Specified for Insurance Securities, Dec. 31, 1931

	Valuation Allowed
Akershus, Norway, 5, 1938/63	$58
Bolivia, ext. 7, 1958 & 1969	25
Do., 8, 1947	25
Brazil, 6½ and 7	60
Buenos Aires, ster., 3½	50
Do., ext., 6, 6½, 7, 7½	50
Chile, ster., 5	50
Do., ext., 6 & 7	50
Do., ster., 7½	50
Do., guar. (Mort. Bk.), 6, 6½, 6¾	45
Colombia, ext., 6	50
Do., guar. (Banco Agricola Hipotecario) 6	50
Cordoba, ext., 7	50
Cuba, ext., 4½, 1949	63
Do., serial, 5½, 1935 & 37	65
Do., s.f., 5½, 1945	41
Do., 5½, 1943/1953	71
Cundinamarca, ext., 6½	35
Mexico, gold bonds, 4, 1954	8
Do., int. red., 5, S. A. draw	$3 flat
Do., ex. cons., 5, 1945	3
Panama, ext., 5	65
Do., guar. (Banco Nat.), 6½	62
Peru, ext., 6	25
Rio de Janiero, etx., 5½ & 6½	40
City Nictheroy (guar.), 7, 1968	40
Rio Grande do Sul, ext., 6, 7, 8	40
Porto Alegre (guar.), 7½	40
Russia, ext., 5½, 1921	2
Do., ext., 5½, 1926	1
Do., credit loan, 6½, 1919	2
Santa Fe, 7	50
Sao Paulo, ext., 6	40
Do., s.f., 7	75
Do., ext., 7 & 8	40
Do., guar. (Bank of), ster., 6	40
Uruguay, ext., 6	60
Cities:	
Greenwood, B.C., 6	50
Rio de Janiero, 6½, 1953	40
Towns:	
Aylmer, Que., 4½, 1931-1958	82 flat
Do., 5, 1937	93 flat
Do., 5, 1947	85 flat
Do., 5, 1957	81 flat
Do., 5½ 1934	98 flat
Do., 5½, 1947	90 flat
Do., 5½, 1968	87 flat
Battleford, Sask., capitalize annual payments on basis of	8% flat
Carlyle, Sask., 5½ & 6	75
Craik, Sask., 6	90
Foam Lake, Sask., 6½	90
Gravelbourg, Sask., 5½, 6, 7	80
Humboldt, Sask., capitalize annual payments on basis of	7½% flat
Peace River, Alta., 6, 1932/43	91
Do., 6, 1932/44	90
Port Coquitlam, B.C., 5, 1948	88
Sutherland, Sask., capitalize annual payments on basis of	7% flat
East Windsor, Ont., 5, 5½ & 6½	75
Riverside, Ont., 5½, 5½ & 6	65

Over $1,000,000,000 worth of securities held by insurance companies are awaiting the ruling of the Superintendent of Insurance, G. D. Finlayson, as to the valuations to be allowed in 1931 reports.

At the end of last year Dominion licensed insurance companies held over $1,271,000,000 of bonds and stocks, which figure represents approximately 62 per cent of their assets. Such holdings would now be subject to a depreciation on the market of roughly $287,000,000, according to an analysis made by The Financial Post, embracing Canadian, British and foreign life and fire companies operating and having assets in Canada.

There has, of course, been a certain movement of securities during the present year, some will have been sold and some added, but so far there is no information available in regard to these transactions. Any analysis therefore can only be based upon holdings of securities as at December 31, 1930, and then by adjusting the values by the movement of known price indices and averages as compared with a year ago, some view of the impairment of holdings can be gained.

Bond Holdings 30 Per Cent

On this basis the bond holdings of Canadian life companies, which at the end of last year had an aggregate value of $432,675,113, (30 per cent of total assets) have a computed present value of $350,964,423. Assets of British and foreign life companies included bonds to the value of $348,661,284 (77 per cent of total assets). These have a current value of $282,816,597, computed on the same basis.

Bonds held by Canadian fire companies, which last year represented about 63 per cent of their total assets, being valued at $36,312,869, are computed to have a present value of roughly $29,500,000, while British and foreign fire companies' bond holdings totalling $45,932,973 last year are estimated to be currently worth under $37,700,000.

Thus, the aggregate of bonds and debentures held by insurance companies in Canada are estimated to have a present market value—making no allowance for bonds for which there is no current market—of approximately $730,000,000 as against over $900,000,000 a year ago.

These computations of "present" market values are based partly on Canadian bond price averages and partly upon Dow Jones' bond averages as at the end of November, since when bond values have suffered further drastic contraction as part of a movement starting about November 10. Thus, between this date and December 17 the Dow Jones' averages of 40 bonds dropped from 86½ to 73½. An upturn then got under way, however, 77 having been reached by December 22. It is still below its November 10 mark, however.

Turning to preferred stock holdings, the Dominion Bureau of Statistics shows an index of 66.5 as at November 30 compared with 101.4 at the end of last year. Applying this decrease of about 34 per cent to the combined holdings of life insurance companies at December 30, having an aggregate value of $48,086,870, a present valuation of around $31,500,000 is obtained. This would seem to be conservative, since of the total holdings as at the end of last year over $27,250,000 was represented by preferred stocks in U. S. public utilities, and another $7,800,000 in U. S. industrials.

Applying the same authority's indices to common stocks held, reducing the December, 1930, values by the percentage drop in the index of each class it is found that holdings taken in by Canadian life companies at $310,492,886 last year have shrunk in value to $214,363,269. In addition, Canadian fire companies' common stock holdings are computed to have depreciated from $12,186,421 to $8,413,505, while British companies, on the same basis, have experienced a shrinkage from $860,552 to $594,125.

A summary of the figures for the various classes of security is appended, the grand total of which shows a depreciation of about 38 per cent:

	Value at Dec., 1930 $	% of ledger assets	Est. val. At Nov., 1931 $
BONDS			
Life Companies:			
Canadian	432,675,113	30.1	350,964,423
British	36,874,671	66.8	29,925,639
Foreign	311,786,613	79.2	252,890,958
Fire Companies:			
Canadian	36,312,869	63.1	29,467,893
British	45,932,973	80.4	37,672,904
Foreign	35,828,399	86.0	29,076,537
Total bonds	900,210,638		729,998,354
PREFERRED STOCKS			
Canadian Life Companies	48,086,870	8.34	31,476,720
(No others held pref. stocks).			
COMMON STOCKS			
Canadian Life Companies	310,492,886	21.6	214,363,269
Canadian Fire Companies	12,186,421	21.2	8,413,505
British Fire Companies	860,552	1.5	594,125
Foreign cos.	......	..	......
Total com. stocks	323,539,859		223,370,899
Grand total	1,271,837,367		984,845,973

International Payments Basis of Exchange Rate

Estimate of Visible and Invisible Items of Canada's World Trade in 1931 Gives Valuable Clue to Present Situation

By KENNETH W. TAYLOR, M.A.

(Summary of Estimate Prepared for The Financial Post Business Year Book, 1932)

The suspension of free gold movements in 1931 followed by the sharp depreciation of the Canadian dollar in the foreign exchange market has attracted a great deal of attention to the balance of trade. The difference between imports and exports, however, is not a safe guide to the true balance of trade, for there are many other important items in the international accounts.

In the short-run and in abnormal times foreign exchange rates are largely a matter of international psychology, and no statistical tables can explain even the month to month fluctuations. But in the long run an accurate statement of a country's balance of international payments, giving a true reflection of its position in relation to foreign trade and finance, does explain the rate of foreign exchange.

History of Balances

Before the war, from 1902 to 1914, Canada had continuously large "unfavorable" trade balances, and prospered exceedingly. But from 1915 to 1928 we had in nearly every year large "favorable" balances of trade, often over $300,000,000 a year and rarely below $200,000,000 a year. Our whole economic structure thus became adjusted to, and based upon large surpluses of exports.

In 1929 the situation suddenly changed. In 1928 Canadian exports (merchandise and bullion) were $1,485,000,000; in 1931 they were less than $670,000,000 a shrinkage of more than $800,000,000. Imports could not be reduced so quickly. In 1930 they were still $1,048,000,000, and created an adverse balance of $120,000,000. But in 1931 they were reduced to $625,000,000. Canada has a normal unfavorable balance on current account in the "invisible" item in the balance of trade of about $30,000,000. Merchandise and bullion figures show a favorable balance for 1931 of about $50,000,000. Thus in 1931 we successfully, though painfully, succeeded in balancing the current items in the international accounts.

But during the second half of 1931 two other disturbing events occurred. First, the general nervousness and eventful disorganization of the international money markets made it impossible for Canada to do her normal autumn borrowing in New York. While all necessary loans were successfully floated at home, there was not available the usual supply of New York funds for autumn financial needs. This put an unusual strain on Canadian banking balances abroad, already reduced from over $200,000,000 in 1928 to less than $75,000,000 early in 1931.

Securities Dumped Back

But these would probably have been sufficient for all essential requirements, had not a second factor intervened. This was the dumping back on the Canadian market of substantial quantities of Canadian securities held by nervous investors in the United States. It is impossible to estimate accurately the volume of this dumping. Probably $50,000,000 is a reasonable estimate.

The balance of international payments for 1931 given in the subjoined table has been prepared as carefully as possible, but is subject to revision as definite figures become available. In the table an average for the years 1926 to 1928 (based on official estimates) and the official estimate for 1930 are given for comparative purposes.

CANADA'S BALANCE OF INTERNATIONAL PAYMENTS
(in millions of dollars)

	Aver. 1926-28 Cr.	Aver. 1926-28 Dr.	1930 Cr.	1930 Dr.	1931 Cr.	1931 Dr.
Merchandise	$1,291	$1,091	$ 894	$ 992	$ 600	$ 605
Coin and bullion	84	29	25	39	56	2
Freight account	89	110	69	101	51	66
Tourist account	238	105	279	113	260	100
Interest account	67	235	88	273	70	240
Insurance, advertising and royalties	26	36	33	32	29	28
Canadian residents employed in U.S.A.	12	..	4	..	3	..
Non-commercial items	47	48	42	44	24	28
Total current items	1,854	1,664	1,434	1,594	1,093	1,069
Net flow of capital	200	235	238	26	26	24
Balance (errors & omissions)	..	155	...	52	26	..
Total	2,054	2,054	1,672	1,672	1,093	1,093

Favorable Balance Required

In conclusion it may be said that a study of Canada's Balance of International Payments for the past few years indicates that she requires a favorable balance on merchandise and bullion account of $30,000,000 to $50,000,000 in order to meet all current payments of an international character. Canada also requires, on the average, an additional $100,000,000 a year to meet normal repayments on maturing bonds and debentures now held abroad.

That is, if all foreign borrowing even for refunding purposes, were completely cut off, Canada would require a favorable balance of trade (merchandise and bullion) of $130,000,000 to $150,000,000, in order to meet her international obligations in full. Since all these figures are calculated in Canadian dollars, and since a part of these payments must be made in New York funds, if the Canadian dollar were to remain at twenty per cent discount, an additional balance of $20,000,000 to $25,000,000 would have to be found.

Canada produces and has available for international payments $50,000,000 to $60,000,000 of gold. On merchandise account alone, therefore, she would require a balance of about $100,000,000. If Canadians continue buying new foreign securities or repurchasing old Canadian securities now held abroad, her balance of trade on merchandise account would have to be so much the larger.

NATION'S BUSINESS

(Continued from page 1)

payrolls it is the country itself either as a Dominion or as a province. It has unlimited resources. It can borrow money and pay later."

Today the Star says: "Surely we in this new country can learn the lesson just given us in the Old Country that it is quite possible so to let our hearts run away with our heads that we will plunge the entire nation into something approaching bankruptcy."

In August the Star naively remarked, with true sentimental appeal, that any addition to the debt of a province would be known to no one except the auditor and could be paid off easily in some future year of bounteous prosperity.

But today the Star realizes that investors and bankers watch provincial expenditures just as closely as do auditors. And so we read in the Star: "The provinces have been borrowing very freely in the cheap money market attached to Wall Street; and now they have to pay. Surely it is only right that the taxpayers should suggest moderation in even worthy expenditures. There are some things that a country simply cannot afford."

This paragraph from the Star is very illuminating: "There is a lot of loose talk abroad that the nation or the provinces can get lots of money to spend freely in this period of depression and so carry us over bad times by borrowing. But borrowed money must be repaid. In the meantime interest must be paid on it. If too much is borrowed, then the credit of the community suffers and its outstanding securities fall in value. It is even possible to decrease or destroy the value of its currency and to imperil the solvency of its basic institutions. The money-lender is no Santa Claus and the country or the man who tries to live out of his bounty is headed straight for disaster."

The Star is right. The money-lender is no Santa Claus. And he is not a blind man either as the Star thought in August.

* * *

OVER in the United States a more common sense attitude is now being taken toward this question of public borrowing to create prosperity. Even men of reputation for level-headedness were, for a while and in a somewhat panicky spirit, urging the Federal Government to borrow five billions of dollars and spend it on a gigantic building programme to put men at work, to reopen factories and provide traffic for the railways. One of the president's numerous committees of business men studied the proposal in detail and out of its report one sentence may be extracted as the most significant feature. It says: "Whatever may have been the causes of the present conditions, the common sense remedy is to stop borrowing, except to meet unavoidable deficits, balance our budgets, and live within our income."

CHRISTMAS TRADE BRISK IN HARDWARE

Roofing Manufacturers Also Report Higher Sales in Ontario

Dealers, reviewing their Christmas trade, intimate that the sale of hardware gift lines was very brisk during the four days previous to December 25.

Roofing manufacturers are enjoying a brisk sale of shingles, roll roofing and siding for immediate delivery in the Ontario market. Considerable outside roofing work is still proceeding, and the market is busier than it usually is at this season. Wholesale salesmen are at their warehouses helping to take stock before the year ends. Next week they will be making calls on the trade again, and more orders for spring merchandise are expected to come through then. Booking of spring merchandise has not been very heavy yet.

WHEAT MARKET SLOWER PENDING NEW CROP DATA

Argentine and Australian Crops Reported Bigger Than Anticipated

From Our Own Correspondent

WINNIPEG.—The wheat market is essentially in a waiting period, with European buyers apparently in a mood to make certain about the crops of the Southern Hemisphere before making commitments any farther ahead than actually necessary.

Both the Argentine and Australia, although their acreage in 1931 was much reduced, experienced good per acre yields, so the total drop in their production was less than was at one time anticipated. Both are considered likely to press sales, and it is natural for buyers, as often happens at this time of the year, to hope that wheat may be cheaper when the full force of Southern Hemisphere shipments begins to be felt. Those on the other side of the market, however, also observe that world shipments for several weeks past have been at a low level, and are inclined to doubt the ability of buyers to hold their waiting position very long and consequently look for heavier total world business at a fairly early date, probably after the holiday season has passed.

U. S. Quality Doubtful

In the United States uneasiness about the condition of winter wheat is making itself felt. It is considered that the mildness of winter weather so far, and the lack of snow cover may result in a considerable amount of winter kilting, a factor which has not been important during the past two crop years.

Another bullish symptom noted is Italy's new decree allowing up to 50 per cent of foreign wheat to be used in Durum wheat products, mainly macaroni, vermicelli and spaghetti. Several months ago an Italian domestic quota of 95 per cent of home-grown wheat was established for all wheat products. On November 1 this was modified for Durum wheat to allow an admixture of 25 per cent of foreign wheat, and the second modification has just been made.

Durums Scarce

Normally Italy imports only about one third of her total consumption of Durum wheat, and the latest decree suggests that importation at more than the usual rate is desired for the balance of the season. Where the Durums that Italy wants are to come from is an open question. The United States is very short of Durum wheat this year; the Canadian crop was small and almost all of it has already been exported; Northern Africa is understood to have a less than normal crop. If Italy's macaroni users are to be properly supplied, Russia appears to be the only country in a position to make extensive shipments, yet the size of the premium prevailing for Durum over other wheats seems to suggest that Russian supplies of Durum wheat may be required at home, which in turn may have some bearing upon Russia's ability to ship out wheat of any kind in large quantity.

17-Cent Premium

Durum grades are selling at premiums up to 17 cents a bushel over hard red spring wheats on the Winnipeg market, while they are ordinarily expected to sell at a discount, reflecting the fact that, however heavy supplies of other wheats may be, Durum supplies may actually be somewhat less than required to supply world needs up to another harvest.

Canadian wheat prices, translated into United States exchange values, show that Winnipeg levels are decidedly lower than those on markets at Chicago, Kansas City and, especially, Minneapolis. Canada continues therefore to get the bulk of the export trade from this continent. The situation does not entirely shut off exports from the United States, mainly because of the ability of Farm Board agencies to sell some of its stored wheat for export at less than the domestic level of prices.

HOTELS HURT BY VAGARIES OF EXCHANGE

(Continued from page 1)

tive empty space. To combat this, whole floors have been closed off thus effecting substantial savings, depreciation of property has been reduced and the various cost of service necessary to maintain the rooms has been dispensed with.

It is in luxury sales as opposed to room sales that hotel managements are now making wide changes. Dining room services play a large part in luxury services supplied by hotels and it is here that alert executives are catering to what the public demands — lower priced meals. It has become evident the public has been inclined to fight shy of the hotel dining room in recent months; to offset this menus have been prepared which now include a wide variety of lower-priced dishes. This policy has tended to stem the decline in dining room patronage. One hotel which operated two large dining rooms, has closed off one entirely and is operating the other owing to its closer proximity to the kitchens. A dance floor has been laid, thus supplying the services of the other room which formerly catered to dancing; in this way the services of a second orchestra have been dispensed with.

Stem Falling Revenues

Another hotel found its cafeteria was falling behind in revenue. The situation was investigated thoroughly, a decision arrived at, and the former cafeteria was transformed into a coffee room. Revenues increased by 30 per cent in the first week.

These are indications of the unceasing efforts which hotels are making to maintain efficiency and at the same time cut their costs. For managers say that above all the efficiency of service must be kept at the usual standard, otherwise all efforts to increase earnings are useless.

MOORE CORP. ENDS ITS YEAR IN GOOD SHAPE

(Continued from page 1)

of the year. If this rate be continued the funded debt of the company will be extinguished before maturity.

Net earnings of Moore Corp. in 1929 were $1,613,766 and in 1930 $1,274,001. As only three divisions of the company's business were able to maintain 1931 volume and earnings at the 1930 level there will probably be some reduction in the latter total but sharp cuts in expenses of the divisions which fell below 1930 have enabled the company to maintain profits at a point closer to the 1930 level than would otherwise have been possible. Income tax, which claimed $125,219 in 1929 and $79,647 in 1930 may be down a little. Depreciation is capable of considerable adjustment as the company's policy has been conservative in the past. In 1929 the depreciation write-off from earnings was $354,045 and in 1930 in spite of the drop in business was increased to $394,462, the extra depreciation written off being almost as much as the drop in income tax.

Profits Good For 1931

The net profit in 1930 was $742,355 which left enough to pay $229,873 in preferred "A" dividends, $117,693 in preferred "B" dividends and $313,548 in common dividends and add $81,241 to surplus. The amount transferred to surplus at the end of 1930 was $454,584 so that the company has had in 1930 a surplus of $535,825 as a reserve to support dividends. It is not likely that this will have been impaired seriously if at all by 1931 payments and certainly not enough to cause concern as to 1932 unless business should prove unexpectedly disappointing.

Is Good Index

The business of Moore Corp. subsidiaries may be regarded as a useful index to the general level of business. The demand for business forms has an immediate relation to the expectation for business volume of the various firms ordering. Curiously enough the orders from small companies have not shown such a falling off as those from large companies which have shown an increasing disposition to buy from hand to mouth. Contracts for four months instead of six months are common and a number of firms feel safe with a month's supply on hand, a situation which would once have caused anxiety in the buying department.

Business in Canada

It is therefore interesting to note that the company's business has been steadier and has shown a smaller decline in the case of the Canadian subsidiaries than in that of the United States companies. The company's activity naturally has to do with actual numbers of transactions by business generally and not with the totals of dollar business as just as much accounting is needed for an item selling for $1 as one for $1,000.

The company's shareholders and bondholders have been benefiting materially since the United States' dollar sold at a premium in Canada by reason of the fact that the company has followed the policy of paying in United States funds. This involves no demand for United States currency on behalf of the company as its United States earnings are kept in the United States and the cheques issued therefore are a help to the Canadian dollar in that it provides more United States money in Canada. The annual dividend rate of $1 a share therefore becomes worth to Canadian shareholders $1.20 so long as the 20 per cent discount remains. The 25 cents quarterly dividend payable January 1, 1932, would by the same token be worth 30 cents a share to Canadian holders. In order that Canadian shareholders will not overlook their right to receive payment in New York funds, a note accompanies the cheque informing them of the fact. Bondholders have the same right.

PACIFIC COAST PULP MAKERS IN PRICE WAR

(Continued from page 1)

American production of newsprint on this coast, Canada enjoyed virtually a monopoly on the paper business in these ports, but an average month showed the imports as follows:

Los Angeles—From Finland, 23 tons; Norway, 165 tons; Sweden, 1,143 tons; Newfoundland, 2,320 tons; Canada, 2,875 tons.

San Francisco — From Norway, 225 tons; Sweden, 845 tons; Japan, 3½ tons; Canada, 3,462 tons.

Puget Sound ports—Newfoundland, 2,272 tons; Canada, 6,122 tons.

NICKEL IN 1932 HAS ADVANTAGES OVER LAST YEAR

(Continued from page 1)

designed to use these plates," said Mr. Stanley, "but no commercial ship has as yet been laid down. Nickel steel has been used for special structures in naval ships for more than forty years. If adopted for general use, the improvement will compare with that obtained when changing from wood to iron ships."

There has been an increase in use of nickel, relatively, in automobile construction and it is therefore hoped recovery in automobile production will make this a more important market for nickel than ever in the past.

It is hoped that as a result of the development in England of a special heat treatment, the use of nickel steel for chisels and battering tools will be extended.

Selling the Railroads

A great deal of missionary work has been done with the United States railways in showing them advantages of nickel steel and nickel irons for cars and locomotives. The Timken demonstration steam locomotive, in which nickel steels and nickel irons have a large part, drew great interest as it moved from one railroad system to another.

For use in heavy duty gears, the company developed a new steel containing 3.5 per cent nickel and .25 per cent molybdenum.

There was considerable expansion during 1931 of the corrosion-resisting cast iron, known as Ni-Resist, containing 14 per cent nickel, 6 per cent copper and 2 per cent chromium. Because of the corrosion-resistance and as a mild heat resisting material, it is available in the form of pipe fittings, condenser sections and various other forms for use in the chemical, oil refining and other industries. It resists heat up to about 1500 deg. F., and has shown wide expansion during the past year for annealing lehrs, furnace parts, such as grate bars and stoker links, automobile exhaust manifold by-pass valves, melting pots and cyanide pots, these pots showing five to ten times the life obtained from plain iron or cast steel pots. There was also marked expansion in 1931 in the United States of nickel heat treated cast iron dies for forming automobile bodies and radiator shells and of nickel cast iron for brake drums.

Further investigation as to advantages to be obtained by making various alloys with nickel has led the company to experiment with great success with the use of molybdenum with nickel and chromium cast iron. Increasing use has been made in 1931 of chromium nickel iron alloys by sulphite paper mills to overcome the serious corrosion problems met in the handling of solutions of calcium bisulphite and sulphurous acid. Bronzes have shown in the past that they last only from eight to twelve months but the new materials apparently have an indefinitely long life. The chromium nickel iron alloys have definitely established their place and usefulness for experimental digestors, relief valves, acid valves, relief lines, strainers, blow pit target plates and deflectors, blow pit bottoms, digestor linings.

In the field of scientific research more attention has been paid than ever before to adjusting the various alloys already produced by the company so as to meet the peculiar conditions encountered in many industries. There has, therefore, been considerable development in the direction of preparing special alloys for each set of conditions while endeavoring to limit the number on the other side in order to keep costs down.

Fewer But Better Alloys

"In spite of the two conflicting tendencies, the result," states Mr. Stanley, "has been toward fewer but better alloys."

Electrical engineers showed great interest in 1931 in recent development of nickel iron alloys for magnetic purposes. The magnetic alloys were developed to a better available commercial position and are now supplied regularly by several steel companies in the form of strip, sheet, rod, wire and stamped laminations.

Research, aimed at the development of the use of these alloys in large transformers, continues, and it is hoped that in special cases they will prove of economic advantage through the saving in size and weight, permitting shop assembly of large units. Initial permeabilities as high as 20,000 were claimed in some of the more recent Bell Laboratories' patents in alloys containing nickel-iron plus additional alloying elements. Maximum permeabilities as high as 100,000 are commercially available and laboratory results in excess of 200,000 are on the verge of commercial usefulness. The interest in this to International Nickel is that all or most of the highest permeability results have been found in alloys of the Permalloy type containing close to 78 per cent nickel.

Sells to Dairy Industry

Inco Chrome nickel is a new product developed especially for the dairy industry and introduced in October last. As it is completely resistant to corrosion and tarnish by milk and milk products and is easily manufactured, another market is hoped for nickel through this product. Further extension of the use of Monel metal in the field of food handling equipment is hoped for as well as in washing machines and laundry equipment generally. Seamless Monel metal tubes, heretofore available only in welded form, are now commercial products and are expected to find general application for heating coils in dye baths and other corrosive liquids. Tests indicate a potential market for Monel metal for bolts, screws and miscellaneous fittings on outdoor electrical equipment such as railroad electrification systems, railway signal equipment and transmission lines. Rapid developments have been made in applying Monel metal forgings to meet requirements of engineers for increased tensile strength.

A commercial Monel metal spring wire was developed in 1931. It has a higher spring quality and can carry a greater load and this will be used where corrosion must be prevented and where higher temperatures are used.

Used for Dry Cleaning

As carbon tetrachloride has been introduced as a solvent for dry cleaning, Monel metal and nickel have come into general use for dry cleaning equipment built of metal. Metal equipment to resist corrosion was made necessary by this development.

Producers of rayon by the Viscose process are showing more interest in nickel and nickel alloys and important uses have developed for drive shafts, for spinning machines, fastenings of various kinds, parts of machines for washing rayon and machinery used in dyeing.

The increased use of Monel metal for the propellers of small and medium sized craft and of Monel metal nails for fastening the wood planking on the hulls of vessels are two important developments in the marine field.

The cupro-nickel condenser tube had a very marked impetus in 1931 from shipping companies who desire a metal that could resist the more corrosive sea water conditions and also from engineers of power plants operating along the seaboard. Many new ships are being equipped with these tubes.

Architectural Demand Mounts

The Hastelloy group of nickel base alloys has had a considerable increase in use in machinery where acids are used.

There has been an increasing trend in both architecture and interior decoration toward the use of white nickel alloys which are rustless and corrosion resisting. These alloys have been used in modern office buildings, banks, libraries and hotel construction for hardware, window frames, store fronts, spandrels, grilles, elevator trim, hand rails, balustrades, mail chutes, bank cages, counter desks, baseboards and embossing effects.

There has been a trend toward standardising plumbing fixtures for all buildings of the monumental type on the basis of solid nickel silver, a non-ferrous alloy with twenty per cent nickel content. Mr. Stanley states that all governmental buildings involving a construction cost of $1,000,000 or more, specify this alloy for the plumbing fixtures.

Railway Earnings

Canadian Pacific Railway

	1931 $	1930 $	Decr. $
November:			
Gross earn.	13,560,582	14,893,308	1,332,726
Expenses ..	8,785,957	9,907,554	1,121,597
Net earn.	4,774,625	4,985,754	211,129
11 months:			
Gr. earn.	132,976,238	168,147,811	35,171,572
Exps.....	108,888,946	133,663,851	24,774,904
Net earn.	24,087,291	34,483,960	10,396,668

Canadian National Railways

	1931 $	1930 $	Decr. $
Nov.:			
Gross rev.	15,290,993	17,169,986	1,878,993
Op. exp...	13,206,511	15,095,570	1,889,059
Net rev...	2,084,481	2,074,415	*10,066
11 months:			
Gross rev.	163,862,574	207,043,207	43,180,633
Op. exp..	156,370,574	181,265,144	24,894,570
Net rev...	7,491,999	25,778,062	18,286,063

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TOTAL ASSETS IN EXCESS OF $750,000,000

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Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
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PURCHASING

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European Bonds Vary Widely as to Merit

Review Takes Investor for Financial Sight-Seeing Tour of Continental Countries

ARTICLE FOUR: BONDS OF ITALY AND OTHER EUROPEAN STATES

Following the appearance of France and Germany as large borrowers for stabilization purposes in the American market after the war, the next large European nation to seek credit was Italy. This country floated a $100,000,000 bond issue in New York in 1925. The interest rate was 7 per cent and the offering price was 94½. The market action of these bonds has been satisfactory even though the present price represents a loss to American holders. Canadian investors, however, may sell the bonds at a profit due to the premium on New York funds. Over 10 per cent of this issue has already been retired through the operation of the sinking fund.

Applying our tests* to the obligations of this country we discover first of all that there is nothing in the history of Italian public financing to indicate anything but good faith on the part of both government and people. Some temporary delays in interest payments between 1865 and 1880 (a difficult period all over the world) and delay in affecting a settlement of war debts due to foreign governments represent the only irregularities. The Italian people are thrifty and industrious and although faced with a heavy debt after the war, have set to work under the Fascist régime to restore economic prosperity and maintain the credit of the nation.

Dependent On Outside

Our third test, economic status of the country, discloses a lack of large natural resources and a dependence upon other nations for adequate supplies of food. Mineral wealth is limited and there is practically no coal. Important water power resources offset this deficiency to some extent but Italian industry has only flourished with the aid of high protective tariffs. The population is large and increasing at a relatively rapid rate. It cannot be said that Italy is sound economically although her people have overcome natural obstacles in maintaining for themselves a "place in the sun."

The foreign trade situation is one of Italy's most difficult problems. She is dependent on the outside world for large supplies of food and raw materials including coal. A heavy surplus of imports over exports places a severe drain on the country's gold reserve. This unfavorable balance is only partially offset by tourist traffic and other invisible items. During the past 12 months a noticeable improvement in the trade situation has taken place, the import balance being cut by about 60 per cent from last year. The volume of currency is decreasing due to mild deflationery measures, with the result that gold reserves amount to about 40 per cent of the total—which is the legal reserve ratio. Exchange rates have been relatively stable and should continue so unless the recent tariff action of England and consequent reprisals on the part of other countries does not unduly upset international trade.

Debt Burden is High

Italy's public debt is not heavy in terms of "debt per capita" (about $109) but the burden of the debt is large since resources are limited and the national income small. Reduction in the debt is under way, however, as the Fascist Government is determined to make Italy independent of other nations to as large an extent as possible. The Government deserves great credit for the aggressive manner in which it has attacked economic and financial problems. The budget has been balanced, resulting in a surplus each year from 1924 to 1929. In 1930 a small deficit occurred and this year the deficit will reach about $75,000,000, although this is scarcely alarming. Unless the depression becomes more severe in Italy there is apparently no reason to fear a crisis in its finances.

From the standpoint of political stability there has been much to condemn and much to praise in the recent history of this country. No nation can lay claim to inherent political soundness without a system of constitutional government. Italian bonds must necessarily suffer in rating to some extent on account of the domineering rule of Mussolini and also because of a certain weakness in the economic status of the country, but generally speaking, they seem to offer a sound investment and should eventually sell at higher prices.

Bonds of Smaller States

Some 15 European countries in addition to France, Germany and Italy have in recent years applied to the American (which includes the Canadian) market for an extension of credit. Some of these, including Belgium, Denmark and Holland, have been in existence for many years and have acquired a national reputation. Others, such as Esthonia, Finland, and Yugoslavia, are new states and have as yet no traditions or experience. Nevertheless, practically all of these nations tapped the money bags of the United States during the orgy of foreign financing from 1925 to 1929 with the result that many investors today own bonds issued by countries scarcely heard of before and the geographic location of which is as indefinite to the average man as the position of his solar plexus.

It would be almost impossible to analyze the position of many of these newcomers to the European scene. Statistics are limited and unreliable, and do not cover a sufficient period to indicate a definite trend. An attempt will be made, however, to outline briefly the nature of each country's claim to a reasonable credit rating. It is clear that a few are eminently entitled to a high or even the highest credit while others, for one reason or another, suffer in comparison.

BELGIUM

Belgium resembles France in many important respects while her fortunes are closely linked with the fate of her powerful neighbor. Since the war, Belgium has followed an aggressive policy of rehabilitation, has improved her industrial machine and has put her financial house in order. The currency was stabilized in 1926 when the new unit, the belga (par $0.1390) was created. Belgium has an unfavorable trade balance but foreign investments, transportation earnings and other invisible items are offsetting factors. The debt is not unduly large. On most counts, Belgium may be granted a favorable credit ranking.

DENMARK

The Kingdom of Denmark has a clean debt record and for many years has been regarded as a good risk by foreign investors. An unfavorable trade balance is largely counter-balanced by shipping services. The country has a relatively low debt and boasts a balanced budget. The following is quoted from a recent statement made by Otto Wadsted, the Danish minister to the United States:

"The Danish government bonds issued in the United States are all gold bonds, principal and interest having to be paid in the gold coin of the United States.

"Unsound public finance, generally the principal cause of inflation and disturbance, is completely a negligible factor in the structure of Danish economy. The abandonment of the gold standard will raise the expense of the external debt service, but the amount in question is relatively small compared with the total sum of the state budget."

He points out that the budget of 1932-1933 just submitted to Parliament has a surplus of 20,000,000 crowns. Accounts for the financial year ending April 1, 1931, showed a surplus of 25,639,000 crowns.

Denmark's bonds should continue to be satisfactory investments.

NORWAY, SWEDEN

Largely free from the economic and financial disturbances of European wars, these countries have enjoyed comparative stability and their obligations have earned a reputation for safe investment. Of the two countries, Sweden is the more conservative, having a smaller debt per capita and a better statistical position, but both countries have a good debt record and their people possess a high degree of responsibility toward their obligations. It is felt that current problems will be overcome, and that the price of Scandinavian bonds will turn upward later on.

NETHERLANDS

Holland, in spite of her size, has for centuries been a world power. Her people have invested heavily abroad and have taken an active part in international trade and commerce. Shipping and foreign investments counteract an unfavorable trade balance. The country has a large gold reserve—notes in circulation being covered by over 90 per cent. There does not seem to be any basis therefore for recent rumors that Holland would abandon the gold standard, although such a step would not affect the position of its external obligations which are selling at a high price. This price appears to be justified by the inherent soundness of the nation.

FINLAND

As this country has only been in existence since 1917, we can scarcely regard its bonds as possessing the characteristics of a safe investment. The debt is small and the debt service amounts to only 13 per cent of total expenditures. The country is primarily agricultural but its balance of payment is dependent largely on exports of lumber and paper which account for 85 per cent of total exports. This is not a sound condition so that in spite of a generally favorable position its bonds cannot be considered as a first-class risk.

POLAND

Political uncertainty prevents this country from enjoying the confidence of investors. Its career has been chequered and though the debt per capita is small (about $16) and the service charges an unimportant budget item, its bonds cannot be considered a satisfactory investment. Foreign obligations have been met largely through borrowing in the past.

HUNGARY

A large debt, extravagant expenditures and excessive borrowing have brought the affairs of Hungary to a crisis. The country has already declared a moratorium on all except one issue. Until this nation can balance its payments without resort to foreign borrowing investors in this country should regard its bonds as purely speculative.

AUSTRIA

Insolvency and the need for a moratorium also faces Austria which has contracted larger debts than she has been able to pay. The economic position of the country does not justify the confidence of investors.

RUMANIA

Russian competition has severely affected the trade of Rumania and as the political background is uncertain, a high credit rating is impossible. Its bonds must be considered a speculation.

CZECHOSLOVAKIA

This country obtained the "cream of the assets of the Austro-Hungarian empire" and although adversely affected by European financial difficulties is in a better position than most Eastern states. Its short independent existence prevents a credit rating much above other small European countries however.

YUGOSLAVIA

With a relatively small debt and a balanced budget, this Balkan kingdom is enjoying greater stability than its neighbors. Nevertheless, its history is in its infancy and this together with political uncertainty renders its bonds speculative.

SWITZERLAND

Although mentioned last on this list of European states, Switzerland can boast a credit rating second only to that of France—if not indeed first of all strictly European countries. Freedom from wars and foreign entanglements of all kinds has found its just reward in this small independent nation whose bonds have for years enjoyed a high price in the markets of the world.

*Certain suitable tests for foreign government bonds were discussed in the first article of this series.

Rail White Elephants Burden to Provinces

(Continued from page 1)

great value in opening up the province, particularly the magnificent agricultural area of the Peace River country.

After the war, the government found itself owning these roads and forced to operate them. It had to make additional advances for their completion, and year by year, large deficits had to be met and while there were occasional operating surpluses, there was never enough revenue to pay the bond interest, which had been guaranteed by the government, nor to pay interest on the amounts that had been advanced.

Finally, in 1928, the province was able to dispose of the Lacombe and Northwestern railway to the Canadian Pacific and to dispose of the three northern lines, which had been merged to the Northern Alberta Railways, to the Canadian Pacific Railway and the Canadian National Railways, jointly.

Proved Very Costly in End

Now let us consider what this venture into railway ownership cost the province. The total of advances, guarantees, and interest charges on the Northern Alberta Railways to March 31, 1930, amounted to $43,656,420. In the sale of the line the government received $26,094,664. Its total loss on the Northern Alberta Railways to March 31, 1930, therefore, amounted to $17,561,756, of which $10,877,385 was lost on capital account and the balance represented operating deficits and interest debts that had been paid from year to year out of provincial revenue.

On the Lacombe and Northwestern Railway, the province had made total advances of $3,014,683, of which it recovered, $1,782,330, from the sale. Its loss on this line amounted then to $1,232,352 of which $562,601 was capital loss and the balance represented current items that had been paid out of yearly revenues.

Alberta's experience with railway guarantees and with railway operations cost it $19,000,000 against which there can be offset the benefits arriving from the opening up of the Peace River country.

British Columbia and P. G. E.

The Province of British Columbia owns a railway which had a gross revenue of $480,000 in 1930 but which costs the province $3,000,000 a year. It seems almost impossible to conceive of any government involving itself in an enterprise that could prove so costly, but such is indeed the case in connection with the investment of the province of British Columbia in the Pacific Great Eastern Railway.

The P. G. E. was incorporated in 1912, to build from Vancouver northward to meet the Grand Trunk Pacific line to the ocean. The chief purpose of the line was to colonize the interior of British Columbia, bringing in German settlers. Another hope in the minds of promoters was that the Grand Trunk Pacific would make a suitable operating agreement to route its Vancouver freight over the P. G. E. outlet. The war ended the German settlement scheme, and a consolidation of the Grand Trunk Pacific with the Canadian Northern under government ownership ended whatever hopes there were for using the P. G. E. as the Vancouver outlet.

The province of British Columbia guaranteed bonds on the enterprise and eventually had to take it over entirely. When the province took over the line it had no connection either with Vancouver or with the Northern terminus. The railway is still without suitable southern or northern termini. In brief, it starts nowhere and ends nowhere.

Cost to Date is Over Sixty Millions

The last budget speech of the minister of finance of British Columbia showed that at March 31, 1930, the province had guaranteed bonds of the P. G. E. Railway to the extent of $21,160,000 which meant that this amount was a direct liability to the province. In addition, direct liabilities incurred by extensions amounted to $14,481,801. But on top of these liabilities the province had already assumed large operating and interest deficits on the road. The nearest one can come to an estimate of what the province already has invested in this railroad is the statement made by the prime minister March 24 last, to the effect that the total liabilities of the P. G. E. were now $66,650,000 of which $38,000,000 represent outstanding obligations and the remainder consisted of interest and operating deficits already paid by the government.

British Columbia has made many endeavors to sell the line. None of these have come to fruition. It is doubtful if the line could be sold for more than a few millions of dollars even if the province were to assume all the capital liabilities presently existing and to write off all its previous contributions on account of interest or operating deficits. The P. G. E. is a road of virtually no present value and a potential value that cannot yet be estimated.

New Brunswick and Valley Railroad

The Province of New Brunswick has had plenty of experience in the construction of railways. Before the war, there was an honest-to-goodness scandal in connection with some of these, it being charged that various members of the government had too intimate connections with the contractors who were obtaining provincial aid. Altogether New Brunswick had, at one time or another, guaranteed more than $8,000,000 of railway issues, has voted cash subsidies of more than $2,000,000, has granted approximately 1,800,000 acres of land as additional subsidies, has met out of current revenues, somewhere around $1,000,000 of deficits and carries in its public debt nearly $3,000,000 on account of its losses in connection with one railway alone.

It would take too much space to delve into all of New Brunswick's experiences with railway guarantees, but some facts regarding the Saint John and Quebec Railways, sometimes known as the Saint John Valley Railway, may be of interest.

This company was incorporated in 1910 to build a railway from the city of Saint John to a junction with the National Transcontinental Railway at Grand Falls. The line was to be only 225 miles long, but it was hoped that it would bring to Saint John a volume of grain traffic from the far west. It would make Saint John an eastern terminus for the Grand Trunk Pacific and the Canadian Northern Railway. The line was never finished, although the province guaranteed $2,727,977 of bonds and issued in addition $2,592,000 of bonds to provide for a further direct investment when it was forced to take over the line. In addition the Dominion government subsidized the line to the extent of more than $1,000,000 to build bridges. The line was operated by the Dominion government which paid 40 per cent of the gross revenue to the province as rental. Of course, this rental never began to pay interest on the province's investment in the line. For the first few years, New Brunswick charged these deficits up to capital account but, in 1926 began to charge them to current revenue which was the proper thing to do. Finally, in 1928, the road was sold for $6,000,000 to the Canadian National Railways, which unloaded the burden from the shoulders of the province of New Brunswick on to the shoulders of the Dominion government. The purchase price was based upon the cost of re-production less depreciation of the property and less the amount of the subsidies that had been paid by the Dominion. But obviously a road that could earn no more than this one, was not worth the cost of reproduction.

It is very difficult to figure just what this particular venture in railway ownership cost the people of New Brunswick between 1910 and 1928. The $6,000,000 paid by the C. N. R. did not cover the capital investment in the line, falling short of that by $1,319,977. To this it would be fair to add $1,540,470, which were the capitalized deficits plus nearly $1,000,000 of additional deficits charged to current revenue; plus the actual cash subsidies and the value of the land given. Probably New Brunswick has never attempted to estimate the exact cost, but whatever it was it was high enough.

INCREASED ASSETS CANAD. NATIONALE RECORDED IN 1931

Advance of $8,000,000 Under Finance Act Features Report

From Our Own Correspondent

MONTREAL. — An advance of $8,000,000 under the Finance Act is a feature of the statement of the Banque Canadienne Nationale for the year ended November 30 last. Other interesting changes are a drop from $3,500,000 to $2,000,000 in holdings of gold; an increase of about $6,300,000 in Dominion and provincial securities held, including demand loans; an increase of roughly $3,300,000 in loans to cities, towns, municipalities and school corporations; maintenance of savings and demand deposits; a decline both in Canadian call and current loans.

For the past year the Banque reported net profits of $1,001,940, against $1,024,702 in the preceding period. After providing for all charges, there remained a surplus of $205,169, an increase of $26,940 over that shown in the preceding year's statement.

INCOME AND SURPLUS ACCOUNT
Years Ended November 30

	1931	1930
	$	$
Net profit*	1,001,940	1,024,702
Less appropriations:		
Dividends	700,000	699,972
Pension fund	40,000	40,000
Reserve for taxes	110,000	115,000
Repay. of loan†	125,000	125,000
Surplus for year	26,940	44,730
Add: Prev. surplus	178,229	132,293
Prem. on new stock	......	1,206
Bal. carr. forward	205,169	178,229

*After deducting expenses of management, interest accrued on deposits, unearned interest on discounts, and making full allowance for bad and doubtful debts.

†Provision for payment to treasurer of Province of Quebec.

Increase in Assets

Total assets of the bank on November 30, 1931, stood at $150,210,246. This compares with $147,244,132 on November 29, 1930. Deposits totalled $116,417,589, as against $119,707,085 a year ago, showing a decrease of $3,289,496. Current deposits amounted to $18,325,996, or about the same as at the end of 1930, while savings deposits fell from $101,372,283 to $98,091,593.

Gains in Assets

Offsetting the advance under the Finance Act is an increase of about $6,500,000 in Dominion and provincial securities, including demand loans; $3,300,000 in loans to cities, towns, municipalities, etc.; and a gain of $2,600,000 in Canadian municipal securities and British, foreign and colonial public securities other than Canadian. Railway and other bonds, debentures and stocks are down roughly $160,000 to $3,309,097.

Calls and short loans in Canada on bonds, debentures, stocks and other securities have been cut during the year from $11,598,243 to $9,825,208. Other current loans and discounts in Canada, after provision for bad and doubtful debts, have dropped from $66,331,989 to $63,456,029.

Limit Note Issue

Notes of the bank in circulation have been lowered from $10,735,984 to $9,797,994.

Real estate has been increased in value from $747,784 to $960,248, while bank premises have increased from $5,638,466 to $5,966,727, an increase in the two items of $540,725. The company's statement as analyzed by The Financial Post is as follows:

GENERAL STATEMENT
As at November 30
Immediately Available Liquid Resources

	1931	1930
Assets	$	$
Specie	875,333	1,045,063
Dominion notes	5,437,593	7,254,938
Gold reserve	2,000,000	3,500,000
Due by foreign banks	904,258	1,952,911
Foreign currency	47,688	116,569
Govt. secs.	29,963,051	23,534,178
	39,227,923	37,403,659
Loans and Securities Other Than Those of Canadian Government		
Public securities	8,879,688	6,259,424
Rly. & other secs.	3,309,097	3,468,685
Can. call loans	9,825,209	11,598,243
Current loans*	63,456,029	66,331,989
Loans abroad*	104,275	92,840
Prov. & mun. loans	9,929,550	6,633,791
	95,503,856	94,384,922
Due from Other Banks		
Notes of other bks.	939,485	690,325
Cheques on other bks.	5,199,302	5,802,090
Due by other banks	599,439	504,068
	6,738,226	6,996,483
Other Assets		
Non-current loans	248,970	175,323
Real estate	960,249	747,784
Mortgages	752,571	825,011
Letters of credit	360,459	612,980
Premises	5,966,727	5,638,466
Dep. re circ. fund	355,284	361,330
Other assets	95,982	98,174
	8,740,242	8,459,068
	150,210,247	147,244,132
Liabilities		
To the Public		
Circulation	9,797,994	10,735,984
Govt. advances	8,000,000	......
Deposits by the public:		
Demand dep.	18,325,997	18,334,802
Sav. dep., incl. accr. int.	98,091,593	101,372,283
To bks. abroad, etc.:		
Foreign banks	507,509	1,830,411
Letters of credit	360,459	612,979
	135,083,552	132,886,459
To Can. banks	744,221	852
To the Shareholders		
Dividends	177,305	178,592
Reserve	7,000,000	7,000,000
Capital, paid-up	7,000,000	7,000,000
Surplus	205,169	178,229
	14,382,474	14,356,821
	150,210,247	147,244,132

*After reserve for bad debts.

AUTO FACTORIES TAKE ON HANDS, INCREASE TEMPO

January Pick-up Will Aid Poor Showing of November

Recalling of 1,000 employees to work by General Motors Corp. of Canada and increased activity at the Willys-Overland plant are encouraging factors in the Canadian automobile field, offsetting to some extent the poor production figures during November.

While the output of passenger cars in the month showed a slight increase—from 761 to 812—a drop in the number of trucks from 679 to 435, dragged the total number of units turned out down to the lowest point for the year at 1,247. This compares with 1,440 units in the preceding month and 5,407 for November last year.

Total passenger cars produced in the eleven months to date was 63,069 compared with 121,217 for the same period of 1930, while in the commercial cars and trucks, which includes taxicabs, buses, and chassis, 17,113 units were manufactured as against 27,353 in the same period last year.

Output of United States factories also made a new low in November, passenger cars totalling 48,185 as compared with 57,764 in the preceding month and 100,532 in November, 1930. Trucks and taxicabs turned out numbered 20,682 as against 22,378 in October and 36,222 in November last year.

Total number of units produced in the U. S. for the eleven months to date is 2,268,197 compared with 3,200,385 for the corresponding period last year.

The markedly lower output of the last two months is to some extent due to an unusual tardiness on the part of manufacturers in getting their 1932 programmes under way owing to the uncertain market.

Plant Sugar Maples

With the object of introducing the maple syrup and sugar industries into the Lake St. John area of Quebec Province, 1,000,000 sugar maples are to be planted in that region according to Hon. Honore Mercier, Minister of Lands and Forests. It is pointed out that experiments have been made there and the sugar maples seem to like the soil and climate. Success with the planting would mean a new and paying industry for Lake St. John.

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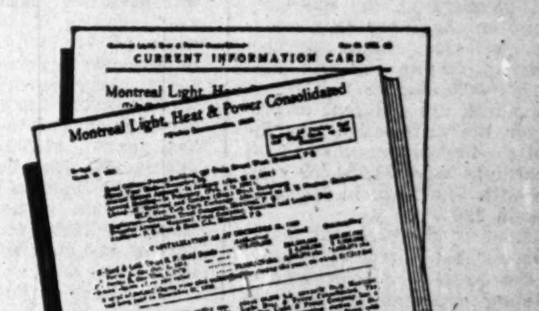
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The Royal Bank of Canada

General Statement 30th November, 1931

LIABILITIES

Capital Stock Paid up		$ 35,000,000.00
Reserve Fund	$35,000,000.00	
Balance of Profits carried forward	4,155,105.61	
	$39,155,105.61	
Dividends Unclaimed	8,723.93	
Dividend No. 177 (at 12% per annum), payable 1st December, 1931	1,050,000.00	
		40,213,829.54
		$75,213,829.54
Deposits not bearing interest	$170,913,903.64	
Deposits bearing interest, including interest accrued to date of Statement	476,389,171.86	
Total Deposits	$647,303,075.50	
Notes of the Bank in circulation	33,237,097.54	
Advances under the Finance Act	20,000,000.00	
Balances due to other Banks in Canada	836,763.11	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	16,655,880.18	
Bills Payable	3,121,924.13	
Liabilities not included in the foregoing	367,360.18	
		721,522,100.64
Letters of Credit Outstanding		28,966,506.64
		$825,702,436.82

ASSETS

Gold and Subsidiary Coin on hand	$27,530,855.47	
Dominion Notes on hand	39,169,403.25	
Deposit in the Central Gold Reserves	3,000,000.00	
United States and other Foreign Currencies	15,842,986.38	
	$85,543,245.10	
Notes of other Canadian Banks	3,378,737.54	
Cheques on other Banks	25,329,297.95	
Balances due by other Banks in Canada	3,144.37	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	36,032,466.96	
Dominion and Provincial Government Securities (not exceeding market value)	85,473,058.48	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian (not exceeding market value)	24,641,316.53	
Railway and other Bonds, Debentures and Stocks (not exceeding market value)	11,935,404.81	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	39,137,268.36	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Bonds, Debentures and Stocks and other Securities of a sufficient marketable value to cover	37,156,111.72	
		$348,639,551.82
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	$291,576,220.24	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	124,581,388.79	
Non-Current Loans, estimated loss provided for	3,187,434.63	
		419,345,043.66
Bank Premises at not more than cost, less amounts written off		17,277,976.75
Real Estate other than Bank Premises		2,163,752.46
Mortgages on Real Estate sold by the Bank		901,177.15
Liabilities of Customers under Letters of Credit as per contra		28,966,506.64
Shares of and Loans to Controlled Companies		6,172,799.50
Deposit with the Minister for the purposes of the Circulation Fund		1,700,000.00
Other Assets not included in the foregoing		544,628.84
		$825,702,436.82

NOTE:—The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the Bank in Paris, and the assets and liabilities of The Royal Bank of Canada (France) are included in the above General Statement.

H. S. HOLT,
President

M. W. WILSON,
General Manager

AUDITORS' CERTIFICATE

TO THE SHAREHOLDERS, THE ROYAL BANK OF CANADA:

We have examined the above Statement of Liabilities and Assets at 30th November, 1931, with the books and accounts of The Royal Bank of Canada at Head Office and with the certified returns from the branches. We have verified the cash and securities at Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at several of the important branches.

We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank. The above statement is in our opinion properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1931, and it is as shown by the books of the Bank.

W. GARTH THOMSON, C.A.,
of Peat, Marwick, Mitchell & Co.
A. B. BRODIE, C.A.,
of Price, Waterhouse & Co.
Auditors.

Montreal, Canada, 28th December, 1931.

PROFIT AND LOSS ACCOUNT

Balance of Profit and Loss Account, 29th November, 1930	$ 4,106,778.29	
Profits for the year ended 30th November, 1931	5,448,327.32	
		$9,555,105.61
APPROPRIATED AS FOLLOWS:		
Dividends Nos. 174, 175, 176 and 177 at 12% per annum	$4,200,000.00	
Contribution to Officers' Pension Fund	200,000.00	
Appropriation for Bank Premises	400,000.00	
Reserve for Dominion Government Taxes, including Tax on Bank Note Circulation	600,000.00	
Balance of Profit and Loss carried forward	4,155,105.61	
		$9,555,105.61

H. S. HOLT,
President

M. W. WILSON,
General Manager

Montreal, 28th December, 1931.

Utilities and Transportation

INT. POWER HALTS DIVIDEND ACTION ON PREFERRED

Earnings Maintained But Bank Loans Prove Burden

From Our Own Correspondent

MONTREAL.—Directors of International Power Co. have deferred payment of the quarterly dividend on the 7 per cent cumulative preferred shares payable January 1 despite the fact that earnings, according to a letter to shareholders, are sufficient to provide for the distribution. At the end of the first six months of 1931 net earnings were $1,164,359 compared with $1,072,120 in the same period in 1930.

Lack of working capital is the reason for the directors decision and the present impossibility of marketing securities to fund the company's floating debt. At the end of 1930 the balance sheet of International Power Co. revealed bank loans of $4,000,000 while current liabilities exceeded current assets by $4,391,179.

Earnings Well Maintained

Shareholders are informed that these loans were incurred in the development of the properties of controlled companies and steps will be taken to fund loans as soon as conditions permit it to be done on reasonable terms. Meantime, the letter states, business and earnings of the properties controlled by the company are well maintained despite the general business depression prevailing in all countries but revenue which otherwise would be paid in dividends will be applied to the reduction of current indebtedness.

There is $8,000,000 of 7 per cent first preferred stock outstanding, on which dividends have been regularly paid since the first offering of $4,000,000 in 1926. There is also an issue of $2,000,000 of 6 per cent second preferred on which no disbursements have ever been paid. Dividends are cumulative from March 1, 1927.

Senior to the preferred shares there are $3,000,000 of 6½ per cent debentures and $2,000,000 of 6 per cent debentures on which interest is payable in March and September in New York funds.

MONTREAL TRAMS SEEKS WIDER SCOPE

Would Extend Services to Within Radius of 25 Miles

From Our Own Correspondent

MONTREAL.—Montreal Tramways will seek before the Quebec Legislature an amendment to its contract with the city of Montreal which will enable the tramways company to extend its operations to within a radius of 25 miles of Montreal. Exclusive rights for the operation of a bus system within the same limits are also sought, such bus system to be declared a dependency of the company.

One object of Montreal Tramways is to extend a tramway service to Longueuil on the south shore of the St. Lawrence, which it is not permitted to do under its present charter. In a covering letter, Col. J. E. Hutcheson, vice-president and managing director of the company, points out that other municipalities in the next 20 years may desire to have the system extended to them, hence the request for additional powers on the part of the tramways company.

Col. Hutcheson points out that the provisions of the contract at present do not allow the company to give services to municipalities outside the uniform tariff territory if such service creates a burden on the revenue of the company and in any case without the consent of the Montreal Tramways Commission.

In regard to the autobus service it is claimed the company is being called on to extend its service throughout the city and while it is given the right of operation in the city by the contract, the trustees of the issued bonds desire that it be included in the charter itself in order to facilitate future financing.

The company includes a final clause providing that nothing in the present bill shall affect the rights of third parties authorized to carry on similar business in the same territory.

Equipment Trust Certificates Mature

From Our Own Correspondent

MONTREAL. — Canadian railways are faced with the necessity of redeeming $5,875,000 of equipment trust certificates in American funds during 1932.

Records show that the Canadian National Railways will have five maturities to meet, having a total par value of $4,375,000. These issues cover equipment trust certificates series G, H, K and L. The first is due on February 1, amounting to $750,000. The next of $1,200,000 falls due on May 1, while another $1,050,000 matures on June 1. On July 1 there is an issue of $625,000 to be taken care of, and another of $750,000 on August 1.

The Canadian Pacific Railway has fewer and smaller maturities to meet, there being three issues to the value of $1,500,000 maturing in 1932. The issues are all of the same size and fall due on April 1, June 1 and December 1.

BEAUHARNOIS PLANS EXTENSIVE ON WINTER WORK

Will Keep 2,000 Men Employed at Power Site

From Our Own Correspondent

MONTREAL.—An average of 2,000 men will be retained on its payroll by the Beauharnois Power Corp. this winter. This compares favorably with the number employed during the summer and is a marked increase over the average of 600 employed in the winter of 1930-31.

Work during the present winter will include the erection of three bridges, over half a mile in length, across the canal; placing rock on the inner side of the canal banks to prevent erosion; some excavation in the boulder clay section of the canal; reconditioning the $4,800,000 of construction equipment; finishing the interior of the plant; and installing the equipment in the power house which next summer will produce an initial 200,000 h.p.

Well Up To Schedule

At the end of November the company had completed 75 per cent of the work on the initial 200,000 h.p. installation. By the end of October, the exterior work on the power house was finished. The installation of the first two 50,000 h.p. waterwheels has been completed, and the third and fourth are being installed. The first generator has been put in place and work on the other three 50,000 h.p. units is under way.

In the bed of the canal the ship channel excavation has been carried out according to schedule. Most of the highway diversions have been built. The three bridges across the canal are well under way and will be ready for traffic by the spring. The work reached its peak this summer when 4,000 men were on the job. Construction is still ahead of schedule at a cost in line with the estimates.

Spend on Equipment

Purchase of equipment and materials by the corporation totals to date more than $15,000,000 which has been almost entirely spent in Canada. Canadian plants are now engaged in filling, among others, orders for these materials for Beauharnois; steel bridges, structural steel, transmission tower steel, insulators, generators, transformers, switchboards and electrical equipment.

Winnipeg Secure Taxes

Winnipeg city tax collections on general revenue account for the eleven months ended November 30th were $87,526 higher than those for the corresponding period of 1930.

For Re-Investment of January Funds

Government, Municipal and Public Utility Bonds, selling below their intrinsic value offer *Safety* and high interest return.

From 5% to 7%

Send for our investment suggestions

NESBITT, THOMSON
and Company Limited
Royal Bank Building, TORONTO
Hamilton Montreal Quebec Ottawa London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver

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CANADIAN PACIFIC NOVEMBER INCOME ON BETTER SCALE

Compares Well With Last Year—Returns to Date Off $10,000,000

From Our Own Correspondent

MONTREAL. — Net earnings of the Canadian Pacific Railway in November showed only a minor decline from that reported for the same month last year, due to the fact that savings in operating expense almost counterbalanced the decline in gross income.

Statement issued by the company reveals gross earnings in November of $13,560,582, a decline of $1,332,726 from the same month in 1930. Working expenses dropped from $9,907,554 to $8,785,957, leaving net earnings for November, 1931, at $4,774,625. This compares with $4,985,754 for the same month last year.

Gross earnings for the first eleven months of 1931 reached $132,976,238, which was a decrease of $35,171,572 from the same period in the preceding year. Due to a sharp reduction in operating expenses, net earnings only fell off from $34,483,960 to $24,087,291.

It is now apparent that net operating revenue for 1931 will be in the neighborhood or even less, than $25,000,000, as against a total of $38,248,658. The showing of the company will depend very largely upon the amount credited to special income, which last year amounted to $20,042,923 owing to the appropriation of a large sum from a special reserve of the old Allan Steamship line.

Fixed charges this year will be somewhat higher than in 1930 when they totalled $19,159,865, as well as dividends on the preferred stock which totalled $5,005,623.

Common dividends in 1930 totalled $33,242,907, but the charge in this connection for 1931 will not be so heavy owing to the cutting in half of the dividend.

MACLAREN POWER MASSON PROJECT AHEAD SCHEDULE

Will be Ready to Make Deliveries to Hydro in 1933

From Our Own Correspondent

MONTREAL.—MacLaren-Quebec Power Corp. is making good progress on its water power development near Buckingham, P.Q. The programme calls for the development of two sites, one at High Falls and the other at Masson. The former has been completed with an installation of 75,000 h.p., comprising three units of 25,000 h.p. each. The second site at Masson Falls is now under development and it is proposed to bring into use 130,000 h.p. in time for delivery to the Ontario Hydro-Electric Power Commission in the middle of 1933.

One of the principal pieces of work in connection with this power scheme is the Cedars Storage reservoir. This reservoir has a capacity of over 20,000,000,000 cu. ft. and at present holds around 18,000,000,000 cu. ft.

Ahead of Schedule

The general work is well ahead of schedule and it is anticipated that all work will be completed several months ahead of time, with the possible exception of the tunnel.

The company's plans call for an eventual development of 245,000 h.p.; 115,000 h.p. at High Falls and 130,000 h.p. at Masson Falls. The James MacLaren Co. has contracted for 66,000 h.p., full delivery of which commenced on January 1, 1931.

In connection with this undertaking public financing was carried out last February in the form of $12,000,000 of 35-year 5½ per cent first mortgages, which were sold at 94 and interest. All of the common shares are owned by the MacLaren Power and Paper Co., which also controls the James Maclaren Co.

Public Utility Earnings

B. C. Power

October	1931 $	1930 $	Decr. $
Gross	1,149,494	1,248,830	99,336
Expenses	733,596	782,058	48,462
Net	415,898	466,772	50,874
4 Mos. End. Oct. 31:			
Gross	4,511,779	4,846,038	334,259
Expenses	3,064,353	3,138,730	74,377
Net	1,447,426	1,707,308	259,882

Winnipeg Electric Co.

November:	1931 $	1930 $
Gross revenue	488,906	511,964
Expenses	327,311	359,951
Net oper. income	161,595	152,013
Ten months:		
Gross revenue	5,276,797	5,682,136
Expenses	3,696,342	3,973,539
Net oper. income	1,580,455	1,708,597

LONGEST TUNNEL BUILT FOR POWER MAKES PROGRESS

From Our Own Correspondent

VANCOUVER. — Good progress has been made in construction of Canada's longest and most unique power tunnel through the mountain barrier at Seton Lake.

Concrete lining of the tunnel, which is to be two and a half miles long, has been completed, thus marking the end of the first stage in the B. C. Power Corporation's largest single hydro-electric development.

Work on the big project has been discontinued for the winter and will probably be resumed early in the spring, although definite plans have not yet been announced.

Initial development was for generation of 54,000 horsepower at a cost of about $14,000,000. The ultimate capacity was estimated at 600,000 horsepower. The plan involved the damming of Bridge River 1,200 feet above Seton Lake, the river being separated from the lake by a mountain range.

Blasting of the long tunnel through the mountain was finished in July, 1930, after three years of work, and the concrete lining job has engaged construction forces since then.

NATIONAL L. & P. EARNINGS SHOW MONTHLY GAIN

Covers Bond Interest 2.18 Times in Eleven Months

Production figures of National Light & Power Co. for November show an increase of 8.93 per cent over November, 1930. November output was 2,376,775 in 1931 and 2,181,748 kw.h. in 1930. In November, 1929, when the company was publicly owned, the output was 1,770,035 kw.h. Total kw.h. production for the first 11 months of 1931 amounted to 20,826,338 or only 1.88 per cent under the output in the corresponding period of 1930. A gain of 21.4 per cent is shown over output in the first 11 months of 1929.

The income statement for the 11 months ended November 30, 1931, shows net income at $96,534, after meeting first mortgage bond interest 2.18 times before depreciation and 1.95 times after deduction of estimated depreciation reserve. Total gross earnings in the period are shown at $495,609 and net earnings at $263,470. Earnings are chiefly derived from electrical equipment. Taxes amounted to $24,924 leaving net operating income of $238,547. Income available for first mortgage interest charges of $110,000 was $240,317. Comparisons with the corresponding period of the previous year are not possible since the company took possession in May, 1930.

Since July, gross earnings have shown a monthly increase while operating expense is well under the August peak. Total net earnings have increased monthly since August. Interest charges on the first mortgage bonds have been earned by an increasing ratio each month with charges covered 2.49 times, before depreciation, in November.

Power Corp. Group Output Shows Gain

From Our Own Correspondent

MONTREAL.—Output of electrical energy by the companies comprising the Power Corp. of Canada group show an increase in November last as compared with the preceding month and with November, 1930. Aggregate production was 164,099,986 kw.h. This compares with 159,919,519 kw.h. in October, 1931, and with 144,638,477 kw.h. in November, 1930, the latter figure being exclusive of Northwestern Power.

Thousands of Kilowatt Hours

	November 1931	November 1930
Southern Canada	15,554	13,907
Canada Northern	35,424	32,615
East Kootenay	5,666	6,377
B. C. Power	43,510	45,208
N. B. C. Power	758	795
Wpg. Electric	16,680	14,634
Manitoba Power	36,446	31,101
Northwestern	10,062	......
Total	164,099	144,638

B. C. Electric Tramway Operations Are Effected

From Our Own Correspondent

MONTREAL.—Tramway operations of the B. C. Electric Co., controlled by B. C. Power Corp., have shown lessened activity since the commencement of the current fiscal year beginning on July 1. In comparison with the same month last year, the October report shows a decrease in passengers on the Westminster City and interurban lines; a decrease of 6,901 on North Vancouver City lines; and a decrease of 2,908 passengers on the Victoria City lines.

During the fiscal year ended June 30, 1931, total miles operated by the company's tramways system was 15,738,360 miles.

Canadian Airways Western Lines Active

From Our Own Correspondent

MONTREAL. — Western lines of Canadian Airways put in 1,068 hours of flying during October last, covering a mileage of 102,749. Passengers carried totalled 422 for 70,760 passenger miles. Excess baggage carried amounted to 640 lbs., while express transported aggregated 62,521 lbs. and mail 29,822 lbs.

For the first ten months of 1931, the Western Lines report 12,127 hours of flying for 1,149,691 miles. There were 5,841 passengers carried 839,698 miles. Excess baggage amounted to 11,223 lbs. Express handled totalled 561,482 lbs. and mail 245,405 lbs.

For January 1st Investment

Interest and dividend payments received by investors on January 1st should be invested promptly to avoid loss of interest and to increase principal.

For these purposes there is no better investment than Canadian Government and high-grade Municipal bonds.

List of such investments will be gladly furnished on request.

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member:
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation
Reports
Valuations
Estimates
Paper and Pulp Mills
Hydro-Electric and
Steam Power Plants
Plans and Specifications

ESTABLISHED 1906
ROBERT DODD & COMPANY
INCORPORATED
Investment Bankers
The Royal Bank Building, Montreal
HArbour 8141-2

Canadian Pulp and Paper Industry

PULP AND PAPER EXPORTS HIGHER FOR NOVEMBER

Gain is Seasonal for 1930—Figures Are Larger

From Our Own Correspondent

MONTREAL.—Seasonal increase in the export of Canadian pulp and paper is noted for November in comparison with the preceding month, but the total value continues under that reported a year ago.

During the past month exports of pulp and paper were valued at $11,815,397, an increase over the total of $11,666,350 reported for October, but a decrease in comparison with November, 1930, when exports were valued at $13,463,608.

Paper Exports Less

According to returns prepared by the Dominion Bureau of Statistics, exports of paper last month were valued at $9,141,144, of which newsprint accounts for $8,801,532. Newsprint exports are approximately $1,000,000 less than in November a year ago, while the percentage decline for other paper products during the same period was roughly 25 per cent.

Increased demand for bleached sulphite was a feature of pulp exports last month, the value of this commodity increasing from $1,468,410 in November, 1930, to $1,603,081 for the same month this year. Other classes, however, showed a general decline in value.

November Returns Detailed

Full particulars of pulp and paper exports for November, 1931, and 1930, together with October, 1931, follow:

	Nov. 1931 $	Oct. 1931 $	Nov. 1930 $
Paper:			
Newsprint	8,801,532	8,711,521	9,836,067
Others	339,612	310,551	429,306
Total	9,141,144	9,022,072	10,265,373
Pulp:			
Sulphate	313,438	380,067	370,749
Sulphite (bl.)	1,603,081	1,429,200	1,468,410
Sulphite (unbl.)	407,368	455,570	619,895
Mechanical	329,217	351,191	699,185
Screenings	14,042	22,740	26,512
N. O. P.	7,107	5,510	13,484
Total	2,674,253	2,644,278	3,198,235
Tl. P. & P.	11,815,397	11,666,350	13,463,608

Cumulative Total Lower

For the first eleven months of the current calendar year, export shipments of Canadian pulp and paper had a value of $130,113,478. This compares with $162,238,075 for the corresponding period of 1930.

Examination of the return shows a decline in the value of newsprint exports of approximately $22,000,000 to $98,933,963. Other paper products export fell off about $1,000,000 to $3,517,274.

There was a general decline in the value of pulp exports, the drop of about $4,000,000 to $4,782,540 for unbleached sulphite being outstanding.

Decline is General

Particulars of exports for the first 11 months of 1931 and 1930 follow:

	1931 $	1930 $
Paper:		
Newsprint	98,933,963	120,908,386
Others	3,517,274	4,527,456
Total	102,451,237	125,435,842
Pulp:		
Sulphate	3,240,641	4,755,110
Sulphite (bl.)	15,119,383	17,183,975
Sulphite (unbl.)	4,782,540	8,595,739
Mechanical	4,094,640	5,512,643
Screenings	210,936	408,667
N. O. P.	176,879	346,099
Total	27,662,241	36,802,233
Total P. & P.	130,113,478	162,238,075

Pulpwood Operators Organize

Pulpwood producers and shippers from all over the province have organized the New Brunswick Pulpwood Association and an attendance of about 200 prospective members is expected at a meeting shortly to be held for the purpose of drawing up by-laws, etc.

Newsprint Operators Enter 1932 Confronted With Many Problems

Past Year Has Been One of Worst on Record

FINANCES SHAKY

Brightest Prospect This Year Appears to be Stabilizing of Finances

From Our Own Correspondent

MONTREAL.—Canada's newsprint industry has closed one of the worst years in its short but turbulent history. It faces another 12 months of uncertainty, but it is a period which holds some promise of a settlement of one or more of the many problems confronting the manufacturers.

In so far as production is concerned, the current year does not hold out much hope for any marked increase. Some newsprint operators do not look for any material advance in demand for paper until 1933. Others believe that the upward trend in demand will take place this year.

Judging by the trend in advertising and the desire of the publishers to cut expenses, it is unlikely that there will be any increase of a major size in newsprint consumption this year. Last year Canadian production approximated 2,250,000 tons, a drop of about 250,000 tons from 1930. Unless there is a marked change in business conditions and consequent resumption of advertising on a wide scale, production by the Canadian mills will not show any material improvement in 1932 over the 1931 figure.

Prospects For Earnings

There is little prospect of a price increase this year, or the next for that matter. Forces are at work even now to effect another cut in newsprint but it is likely that this attempt will be met with a more united front by the producers. The earning power of the operators will depend largely on the discount of the Canadian dollar.

With no increase in price likely and production at or around the current level, any increase in earnings must either come from a drop in operating expenses or through the premium received on New York funds. Operating costs have about reached the bottom and little saving is to be expected in that quarter, so that an improvement in earnings will most likely depend almost solely upon the trend of exchange.

Finances Need Bolstering

An improvement in financial position will hinge upon the outcome of the present negotiations looking for a merger. It is apparent to anyone who has studied the situation that the operators are in an unhealthy position and that without a change for the better, further reorganizations or bankruptcies are likely to occur in 1932. The passing of dividends has lightened the load, but heavy interest charges, in some instances, are likely to prove too much.

No doubt 1932 will see many changes in the newsprint industry, not the least of which will be a termined effort to put the industry on a sound financial footing. If that cannot be done by co-operative action, then it would appear to be only a matter of time before such action will be forced.

Vancouver Grain Exports

December's grain exports from Vancouver will likely exceed ten million bushels—shipments during the first half of the month having neared the five million mark and prospects pointing to heavier exports during the latter half of the month.

Montreal Star Sets Strong Pace

From Our Own Correspondent

MONTREAL. — Montrealers believe in advertising! During November Media Records Inc. record the interesting fact that the Montreal Star carried more lines of advertising than any New York paper and only three other dailies in North America carried a greater linage. Leading the list are The Washington Star, Philadelphia Bulletin and the Baltimore Sun, in the order named.

Those who are inclined to think the New York dailies carry more advertising than other metropolitan dailies will be interested to know that in November, the Montreal Star carried almost as much linage as the New York Herald-Tribune and the New York American combined.

International Paper Propose New Project

From Our Own Correspondent

MONTREAL.—International Paper Co. is planning an industrial development at Corinth, N.Y., involving an expenditure of $2,000,0000 to $3,000,000. This is the statement made by A. L. Johnson, engineer and assistant mill manager of the Hudson River Mill before the Corinth council when he requested flowage rights adjacent to Pagenstecher Park and the park pallisades for his company.

A power development culminating the present Hudson River dam and the Curtiss mill dam is proposed. An artificial lake extending nine miles from the Hudson River dam to Luzerne is part of the project.

International and Fraser to Operate Log Boom

From Our Own Correspondent

MONTREAL.—New Brunswick International Paper Co. and the Fraser Companies are co-operating in the renewal of the boom on the main southwest Miramichi River next spring. All pulpwood operators, as well as the two major pulp and paper companies of the province, are eligible to use the boom. The assurance that the boom will be in use in the spring and early summer is expected to increase the pulpwood operations on the Upper River this winter.

Pulp and Paper Directory

The 25th edition of the National Directory of the Canadian Pulp and Paper Industries has come off the press. It is more elaborately bound than past issues, but this does not detract from the contents which are as complete as ever before. Details are given in respect to the different operators, such as mill locations, transportation facilities, manufacturing equipment, capacity and types of products, etc. It is a valuable source of information to anyone interested in the manufacturing side of the industry.

The directory is edited by J. N. Stephenson and published by the National Business Publications Ltd., of Gardenvale, P.Q. It sells for $5 a copy.

Winnipeg Gets Industry

The National Battery Company of St. Paul has stated its intentions of establishing a branch plant in Winnipeg. This will be the first Canadian branch of this company. The firm manufactures automobile batteries and batteries for railway use.

England Buying Lumber

In eight months of 1931, British Columbia shipped as much lumber to the United Kingdom as for the whole year during 1928 and 1929, it is reported at the Parliament Buildings. By the end of this year, it is expected the total will top 1930 figures by more than 10,000,000 feet.

JAMES W. SEWALL
Consulting Forestry
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ontario

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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News of Investment Markets

PROPOSE SCHEME TO LIFT PRESSURE ON N.Y. EXCHANGE

Government Discourages Repurchase Securities in Britain

In the effort to protect Canada's dollar from further depreciation, proposals are being considered to adopt exchange pooling by which banks would cash in Canada all coupons of bonds payable in New York by paying the premium at once instead of sending the coupons to New York City for collection. The various companies will be asked to compute just what bonds are held in the United States and to send only enough money to meet these and all banks would be expected to adhere to the new policy.

It is estimated that more than 60 per cent of Canadian outstanding bonds are held in Canada and that therefore the largest demand for United States funds comes from Canadians who are trying to get the advantage of New York funds. It is true that when the money is brought back to Canada there is an offsetting transaction to the first demand for United States funds, but there is often a considerable delay before funds are changed into Canadian money and it is desired to discourage the leaving of money in the United States in the hope that future drops in the Canadian dollar will enable the Canadian holders to make even greater profits.

May Stabilize Dollar

Early in 1932 it is expected that the Dominion Government will adopt a policy of stabilizing the Canadian dollar at some point later to be determined on by means of gold and other shipments. This in itself will stop a considerable number of speculative transactions which adversely affect the exchange more than would normally be the cause. Efforts of speculators to cover, it is argued, would then be helpful rather than hurtful to exchange.

Embargo Works Against London

Operations of the unofficial embargo on Canadian purchases of securities abroad is in full effect and investment bankers and stock brokers have all offered their co-operation to facilitate the latest attempt to stabilize exchange rates. With purchases in New York, London and other markets practically stopped no effect on exchange is evident during the first week of the plan and financial men are not hopeful that restrictions placed on export of capital for the purchase of securities abroad will have the desired effect.

In the past three months, it is reliably reported that United States purchases of Canadian securities have amounted to roughly $30,000,000 while Canadian purchases in New York have totalled some $15,000,000; a ratio of two to one. Naturally this situation is favorable to Canada and if Canadians are not permitted to buy their own securities in New York it is generally held that Canadian credit will suffer and buying in Canada by New York will be curtailed.

The situation with respect to London is quite different since there has been no buying in Canada from that source in recent months, but Canadian securities have been sold back to Canadians in considerable volume. Accounts vary as to the extent of this business, but immediately after Great Britain went off the gold standard the volume was high and has continued in some lesser degree since that time. Canadian investors are favored by the premium on the Canadian dollar in terms of the pound sterling and institutional investors have been able to secure high grade securities at good prices while Canadian corporations have been able to purchase bonds for their sinking funds.

Some Amendment Likely

While there is no indication of an immediate change in the embargo ruling it is generally believed that there will be some amendment at an early date that would permit purchases of securities in the United States. Whether this change will take place after a public statement or whether restrictions now enforced by the banks will be quietly removed remains to be seen. The latter possibility would relieve the government and the banks of the charge of showing partially and discriminating against certain countries.

It is generally believed that the present embargo was suggested without full knowledge of the facts. Investment bankers and brokers were not called into consultation until the embargo became effective and figures since submitted were contrary to the general opinion of existing conditions. In some quarters it is believed that an embargo on the export of capital for purposes of investment is one of the last steps that should have been taken to stabilize the exchange rate.

The City of Port Arthur bonds afford an illustration of the situation which causes the import of securities from Great Britain. These bonds mature in a year, pay 4½ per cent, but bought by Canadians at 97 this gives a yield of 6.5 per cent whereas at present exchange rate it would give the Briton the equivalent of about 110. A lively business developed when transactions of this kind were so profitable to both sides, and over the long view and under normal conditions it might be a desirable thing to have repatriation of Canadian securities in this way.

Bankers, however, and the Dominion Government are anxious to stop any movement which tends to make the present strain on the Canadian dollar worse. It would not be surprising therefore if investment bankers and others would be asked quietly to co-operate with the Dominion Government by dissuading Canadians from international transactions with countries whose currency is further depreciated than our own. It is admitted that this would detrimentally affect the business of investment bankers who have been serving their clients in this way, but some measure of co-operation will probably be accorded.

Municipal Finances Interest Provinces

Investment Bankers Approve Ontario Proposals; Other Provinces May Amend Present Acts

Details of the proposed reorganization of the Ontario Railway and Municipal Board are still under consideration and no announcement is available at this time as to the degree to which supervision of municipal finances will be carried. It is understood, however, that no serious objections have been raised by municipalities. As previously announced, the government proposes that municipalities shall file all data and statistical information with the reorganized board, that all issues of debentures will come before the board for approval and that expert advice will be made available to municipalities.

The Investment Bankers' Association of Canada has given evidence of its approval of the action to be taken and will co-operate as far as possible. Previous to the announcement of the proposed changes, the association had recommended certain changes considered essential in the administration of municipal affairs. The association recently issued a statement which, in part, was as follows:

One Bad Hurts All

"The record of the municipalities of the Province of Ontario has been so outstandingly good that there has been no necessity for any close supervision and the action contemplated will greatly assist in maintaining this record and act as a preventative against extravagances and ill-advised expenditures on the part of municipalities in the future.

"The results of one badly administered municipality affect the credit of all the others in the provinces and the present proposals should therefore be welcomed particularly by all municipalities whose affairs have been properly handled as a safeguard against the harmful effect that can be caused by the extravagance of others. The Investment Bankers' Association of Canada considers that the government is to be congratulated on the action they propose taking, which will undoubtedly have a direct bearing on the price received for Province of Ontario municipal bonds. This will ultimately result in a lowering of taxes so that the taxpayers themselves will benefit directly as well as investors."

Has Municipal Bureau

Ontario, at present, has no department of municipal affairs with a minister and deputy minister, as have some of the other provinces, but maintains a Bureau of Municipal Affairs which collects municipal statistics. The director of this board is also a member of the Ontario Railway and Municipal Board which deals with many matters which in other provinces are handled by the municipal department. This board also has jurisdiction over a number of municipal utilities, which, in other provinces, may be handled by a public utilities commission.

The provincial municipal auditor is attached to the Bureau of Municipal Affairs and on his motion special audits of municipal or public school are made as well as on a resolution of a municipal council or on petition signed by not less than 30 taxpayers. The bureau issues annually a bulletin of municipal statistics and 1930 municipal figures have just been made available. Returns of municipal water works and gas works are made to the bureau and there are now 159 municipal water works and nine gas works.

The Ontario Railway and Municipal Board has jurisdiction over all telephone systems and steam and electric railways which are incorporated in the province. This includes all street railways except that of Ottawa. The board has power to enquire into and make orders when it is alleged that there is a breach of any franchise agreement entered into between a municipality and a public utility company. There are now 125 telephone companies and 500 municipal systems, six steam railways and 24 electric railways under the board.

Has Option to Validate

Debentures for extensions to a municipal utility are subject to the approval of the board which may give approval only after a debenture by-law has been passed by a 75 per cent vote of all members of the council, and sufficient revenue is shown from the proposed extensions to meet debenture payments and interest charges. In assessment matters there is an appeal to the board where the assessment is not less than $40,000 except in unorganized districts where the minimum is $10,000. The board also acts as a board of arbitration where property is expropriated.

Where there is some irregularity in proceedings prior to the final passing of a debenture by-law or in the by-law itself the board has power to validate municipal debentures and is frequently called upon to exercise this power. Any municipality with a tax rate of over 25 mills, exclusive of school, local improvements and hospital rates, cannot contract any further debt until the rate is reduced to that amount or with the approval of the board. Private bills introduced in the legislature by municipalities for the consolidation of floating debts are referred to the board for enquiry and report.

The board also has some jurisdiction in town planning and where a majority of property owners object to local improvements which have been forced through by a municipal council an appeal may be made to the board. The functions of the board are generally applicable to all municipalities and public utilities while there are many special or private acts which refer matters of local importance to the board for ajudication.

A number of the other provinces have established municipal departments that have proven their worth. Those of Quebec, Saskatchewan and British Columbia are the most notable while other provinces exercise varying degrees of supervision. In Nova Scotia there is real supervision by the government but it is the intention of the government to introduce legislation at the coming session that will bring the province more in line with the other provinces. No supervision is exercised in New Brunswick or Prince Edward Island but in the case of both Nova Scotia and New Brunswick municipalities are required to make annual returns to the provincial secretary and these municipal statistics are published.

While jurisdiction over municipalities in Quebec is far advanced a further step is contemplated in the near future in the setting up of a board of control to have the function of investigating all future municipal loans. This board would probably have the power to suggest to the government such measures as may be deemed necessary to aid municipalities in trouble. For some time the financial position of Quebec municipalities has been under the influence of the province which has passed on the various bond issues. Call for tenders on all new municipal bond issues are published in the Quebec Gazette. All municipal and school bonds must bear the stamped certificate of the Bureau of Municipal Affairs and once this is signed on the bond validity of the bond is guaranteed. Quebec issues annually a comprehensive survey of municipal statistics. It is interesting to note that in the year ended June 30, 1931, the municipal department approved 211 by-laws which represented a total of $61,824,116.

Saskatchewan Leads

In British Columbia supervision of municipalities is under the Inspector of Municipalities. The annual report of the inspector is published and is extremely detailed and thorough. Municipal financing must have provincial approval but there is no general regulation dealing with municipalities which are in financial difficulties. Any municipalities which in the past may have had troubles have been dealt with by the legislature, each on its own merits.

Saskatchewan has for many years been a leader in supervision of municipal affairs and the form of annual report and operations of the department have been highly regarded. The province has a department of municipal affairs guided by a cabinet minister and a deputy minister. The department has charge of not only municipal accounting and finance but also town planning. Municipal statistics are collected in great detail.

All West Supervised

Alberta has a department of municipal affairs and municipalities are also controlled in certain of their acts by the public utilities commission. The department is charged with the inspection of the offices of municipalities and has inspectors who make periodic visits. The department must approve the appointment of secretary-treasurers and auditors. Close contact is kept with the banks as to the manner in which the municipalities take care of loans and if reduction of loans is not considered satisfactory the department co-operates with the municipality in effecting economies. Activities of the department are largely directed toward towns, villages and rural municipalities, cities being governed by special acts.

In Manitoba the Municipal and Public Utilities Board is empowered to act as financial advisor to any municipality seeking assistance. Upon being directed by the Lieutenant-Governor-in-Council the board shall investigate financial affairs of any municipality or school district and has general supervision of municipalities in financial difficulties. Municipal borrowing is subject to approval of the board. Various other powers are all provided under the act.

B.C. Bond Dealers Elect New Officers

The British Columbia Bond Dealers' Association elected P. Whitehead of Robb, Robertson & Birch Ltd. as president for the ensuing year at the twelfth annual meeting and dinner held recently in Vancouver. H. Henderson of A. E. Ames & Co., Vancouver, was elected vice-president and the executive consists of T. DeWolf, Pemberton & Son; G. L. Fraser, Western City Co.; G. Sweet, Waghorn Gwynn & Co.; D. C. Birch, Robb, Robertson & Birch, Ltd.

C. G. Fullerton, retiring president of the association, in addressing the meeting, stated that over-subscription of the National Service Loan gave evidence that there was still confidence in Canada but that it was wise at all times to keep an eye on over-borrowing and to this the association had devoted considerable attention. Necessary works had to be done but the debt of municipalities should be carefully considered.

During the year various questions with reference to assessments in Cities and Municipalities and borrowing powers had been taken up with the object of assisting public bodies in carrying out their financial arrangements.

PROVINCIAL BANK REPORTS PROFITS OF $9.09 A SHARE

Increase Liquid Position During Past Twelve Months

From Our Own Correspondent

MONTREAL.—Provincial Bank of Canada's statement for the year ended November 30, 1931, shows a decline in earnings; an improvement in liquid position; and a gain in borrowings from the Dominion and Provincial Governments and advances under the Finance Act.

During the past year the bank earned $467,439. This compares with $511,458 in the preceding year. After smaller write-offs for premises and appropriations for taxes, the net income for 1931 was equivalent to $9.09 a share as against $12.79 in 1930.

Details of Income

Particulars of the income account for the past two years follow:

	1931	1930
	$	$
Balance forward	463,182	441,225
Profits	467,439	511,457
	930,622	952,682
Dividends	360,000	360,000
Taxes	63,761	69,500
Writ. off real estate	40,000	60,000
	463,761	489,500
Balance forward	466,861	463,182
	930,622	952,682

Total deposits indicate a decrease of 5 per cent as compared with 1930. Deposits not bearing interest stand at $4,983,313, as against $5,891,314; deposits bearing interest at $34,698,414, compared to $35,787,825.

The report for 1931 is interesting in respect to three broad general changes, having to do with borrowing and advances, investments and loans. In the first category the statement shows that the bank has secured advances of $2,000,000 under the Finance Act. This item did not appear in last year's statement.

GENERAL STATEMENT
As at November 30

Immediately Available Liquid Resources	1931	1930
Assets	$	$
Specie	239,472	285,486
Dominion notes	2,069,724	2,732,241
Due by for. banks	44,889	370,240
For. currency	31,340	72,905
Govt. securities	9,149,566	6,320,645
	11,534,991	9,731,517
Loans and Securities Other Than Those of Canadian Government		
Public securities	5,598,721	3,900,974
Rly. & other secs.	3,728,626	3,138,390
Can. call loans	5,861,872	6,698,725
Loans to mun. and curr. loans*†	19,882,809	21,601,608
	35,072,028	35,339,697
Due from Other Banks		
Notes of other bks.	635,365	507,545
Cheques on other bks.	1,840,965	2,010,092
Due by other Can. banks	418,611	1,123,031
	2,894,941	3,640,668
Other Assets		
Non-curr. loans*	152,905	173,818
Real estate	438,647	418,277
Mortgages	496,402	498,936
Letters of credit	15,759	24,799
Bank premises	2,189,389	2,195,261
Dep. re circ. fund	198,500	212,600
Sundry assets	222,706	246,460
	3,714,308	3,770,146
	53,216,269	52,482,028
Liabilities		
To the Public		
Circulation	3,903,441	4,169,270
Govt. advances	2,000,000	....
Due Dom. Govt.	1,439,400	357,007
Due Prov. Govts.	43,230	37,208
Deposits by public:		
Demand dep.	4,983,313	5,891,314
Svgs. & accr. int.	34,698,414	35,787,825
To bks. abroad, etc.:		
Foreign banks	26,844	114,278
Lets. of credit	15,759	24,799
Sundry liabs.	44,341	46,672
	47,154,742	46,424,373
To the Shareholders		
Dividends	94,666	94,472
Reserve	1,500,000	1,500,000
Capital	4,000,000	4,000,000
Surplus	466,861	463,183
	6,061,527	6,057,655
	53,216,269	52,482,028

*After reserve for doubtful debts.

†After rebate of interest amounting to $64,178 in 1931; $78,693 in 1930; $90,724 in 1929.

Bond Redemptions

Offers of sale of 4½ per cent debenture stock of Toronto Harbour Commissioners to the amount of $380,000 will be received by National Trust Co., Toronto, as trustee, up to January 6, 1932. Purchase of the debenture stock or bonds will be made for sinking fund purposes.

Each offer will be deemed to include accrued interest and to be the whole or any part of the amount offered at the rate specified in the offer.

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Interlake Tissue Mills	*6%	1935	Feb. 1	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1	107½
Imp. Realty	*6%	1945	Jan. 1	103
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Pedlar People	8%	Serial	Jan. 1	102
Foreign Issues—				
City of Oslo, Norway	5½%	1946	Feb. 1	100

*Called in part.
†Or before.

Bond Tenders

4 o'clock, Jan. 18, City of Cap de la Madeleine, Que.—$7,700, 5½ per cent bonds, dated Jan. 2, 1932, redeemable serially from Jan. 2, 1933 to Jan. [illegible] 1952, payable at Banque Can. Nationale, at Montreal, Quebec, Three Rivers and Cap de la Madeleine. R. Rocheleau, clerk.

Jan. 18, noon, Luceville Village, Que.—$6,100, 5 per cent bonds dated May 1, 1931. Redeemable serially from May 1, 1949 to May 1, 1956. J. Cote, sec.-treas.

Bond Sales

HAMILTON, ONT.

McLeod, Young, Weir & Co., heading a syndicate which includes Fry, Mills, Spence & Co., Bell, Gouinlock & Co. and Lyment, Anderson & Co., has been awarded $600,000, 5 per cent debentures of the city of Hamilton, Ont. on a cost basis of 5.95 per cent with option to purchase the remainder of the entire issue of $1,594,000 for which tenders were called for December 28. Several syndicates are reported to have negotiated for part of the issue.

Public offering is being made on a 5.65 per cent yield basis and initial demand was reported as satisfactory. The issue is the first important municipal offering to come on the market for some months.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31	Net income 1929-30	Common earnings 1931	Common earnings 1930	Curr. divd.	Balance car. fwd. 1931	Balance car. fwd. 1930	Mkt.	Mkt. times earn.	Yield
		$	$	$	$	$	$	$			%
Can. Bank of Commerce	Nov. 30	4,774,924	5,378,423	15.92	17.93	12.00	535,683	516,351	196	12.3	6.1
Bank of Toronto	Nov. 30	1,168,915	1,339,872	19.48	22.33	12.00	431,908	302,993	213	10.9	5.6
Royal Bank	Nov. 30	5,448,327	6,572,627	15.57	18.78	12.00	4,155,107	4,106,778	231	14.8	5.2
Dominion Bridge Co.	Oct. 31	1,657,816	1,983,814	3.22	3.86	3.00	4,328,283	4,366,504	27	8.4	11.1
Banque Canadienne Nationale	Nov. 30	1,001,940	1,024,702	14.31	14.64	10.00	1,180,169	178,229	164	11.4	6.1
Provincial Bank	Nov. 30	467,440	511,458	11.68	12.79	9.00	466,861	463,183	...	...	...

Shawinigan Power Bond Yields Are Attractive

Leading Producer of Power Has Wide Interests and Excellent Record

Fifth of a Series on Canadian Bonds

Erratic price movement of even the highest grade bonds in recent weeks need not necessarily disturb the careful investor who is placing funds for long-term investment so long as the basic security is sound. In fact market movements may accentuate the desirability of certain issues and at the same time provide favorable opportunities for accumulation at lower than usual prices. The first mortgage and collateral trust sinking fund gold bonds of Shawinigan Water & Power Co., which have been given in the past a higher than ordinary rating, are a case in point.

A Canadian public utility that is one of the foremost producers of hydro-electric energy in the world, Shawinigan Water & Power Co. has not been unaffected by the abnormal business conditions now existing. With funded debt of $85,215,000 at December 31, 1930, the company is obligated to pay interest of $3,909,675 annually in United States funds which, at a premium of 20 per cent, would cost some $800,000 extra, while revenues of the company are all receivable in Canadian funds. Net earnings in the first eight months of 1931 were sufficient to take care of bond interest charges of 2.2 times however and the past record of the company shows bond interest has always been well covered and the dividend record of the company is continuous back to 1907.

Has Wide Interests

The interests of the company are highly diversified since it serves, directly or through controlled or affiliated companies, most of the St. Lawrence River Valley including the cities of Montreal and Quebec. Approximately 20 per cent of electrical output is sold to pulp and paper companies and industrial users are also major consumers. Decline in industrial activity and difficulties in the newsprint situation have naturally had their effect on earnings of the company but from a long-term point of view the company is firmly entrenched in its territory.

The company owns, controls through stock ownership, or has under contract, water powers and hydro-electric power in the Province of Quebec amounting to 2,000,000 h.p. Of the 858,650 h.p. developed and in use some 110,000 m.p. is purchased under contract. With its management and through its affiliations the company occupies a strong position. A substantial stock interest is held in Montreal Light, Heat & Power Consolidated which, in January, 1931, contracted with Shawinigan for a supply of power over a period of 36 years. Jointly with Montreal Light, Heat & Power Consolidated, Shawinigan owns United Securities Ltd. which in turn controls Montreal Tramways Co.

Through control of Quebec Power Co. which supplies Quebec City and contiguous territory with electric light and power, gas and street railway services, Shawinigan, directly or through its subsidiaries, serves some 227 communities and within its territory there is a population of some 2,300,000 people. In addition to its public utilities, Shawinigan has entered the industrial field and owns Shawinigan Chemicals, Shawinigan Stainless Steel & Alloys Ltd. and various construction and engineering companies. It is also associated with Niacet Chemicals Corp. and Duke-Price Power Co. through ownership of one-third stock interest in the former and 20 per cent stock interest in the latter.

Growth Has Been Steady

The present extensive development is not of recent origin since Shawinigan Water & Power Co. secured its Quebec charter in 1898 and started power developments in 1900. Growth has been steady with few set-backs and in 1930 peak gross income of $14,954,074 was reported with net earnings at a new high point of $10,021,477. Total assets, reported in 1930 at $172,990,215, had increased ten-fold since 1910. Funded debt has always been kept at 50 per cent or less of gross assets. Revenue received from sale of capital stock or as proceeds from sale of rights to shareholders has approximately equalled that raised from sale of bonds.

The bonded debt of the company at December 31, 1930, was as follows:

First Mortgage and Collateral Trust Sinking Fund Gold Bonds

	Mature	Interest Payable*	At December 31, 1930 Authorized	Issued	Outstanding
Series A 4½%	Oct. 1, 1967	Apr., Oct. 1	$35,000,000	$35,000,000	$35,000,000
Series B 4½%	May 1, 1968	May, Nov. 1	25,000,000	25,000,000	†15,959,000
Series C 5%	Feb. 1, 1970	Feb., Aug. 1	15,000,000	15,000,000	15,000,000
Series D 4½%	Oct. 1, 1970	Apr., Oct. 1	35,000,000	20,000,000	‡19,256,000

* In Montreal, New York or London.

† An addition $7,850,000 of series B bonds have been certified and are held in company's treasury.

‡ An additional $7,500,000 of series C bonds have been certified and are held in the company's treasury.

Bonds of the company have been issued in four series of which three bear a 4½ per cent coupon while series C bears a 5 per cent coupon. All four issues, however, are equally secured by a direct first mortgage on "the company's lands, rights in land, water powers, dams, power houses and transmission lines, now owned; by pledge of certain first mortgage bonds of electric and manufacturing companies, now controlled; and by 'floating charge' on all other present and future assets of the company." The lien of the mortgage does not apply necessarily to property to be acquired in the future.

Issued at various times, the bonds mature from 1967 to 1970 according to series and all are payable in New York, Montreal or London. The provisions of the various series are largely similar, chief difference being in terms and dates of redemption. Bonds of all series are listed for trading on the New York Curb exchange.

Bonds of each series are issued in coupon form in denominations of $500 and $1,000 with the privilege of registration as to principal only. The sinking fund is provided for under the terms of the mortgage and applies on all series equally. Initial payment was made December 31, 1928, and the annual payment amounts to 1 per cent of the largest amount of first mortgage and collateral trust bonds outstanding in each year. Montreal Trust Co. acts as trustee.

Provision for redemption of the bonds before maturity is similar except for dates in series A, B and D. In each case redemption may be made on any interest date after 30 days notice at 103½ prior to October 1, 1932, in the case of series A; May 1, 1933, in the case of series B and October 1, 1935, in the case of series D. Thereafter, the premium decreases by ½ per cent for each five-year period until the last 10 years when the bonds are callable at 100½. In the case of the series C bonds, bearing a 5 per cent coupon, the call price is 106 to February 1, 1935, with premium decreasing at the rate of 1 per cent for each five years to 1960 the call price being 101½ to 1965 and thereafter to maturity at par.

Bonds have been largely issued for refunding purposes and for development of water powers and other improvements. Authorized bonds, remaining unissued, may be issued for additions, improvements and acquisitions only when net earnings applicable for interest charges for the last fiscal year or for any 12 months within the 16 months previous to issue, shall have been 1½ times interest charges on all bonds outstanding including bonds proposed to be issued. The new bonds may be issued to the amount, in face value, of 80 per cent of the cost, or fair value, whichever is less, of additional property or bonds of other companies acquired by the company. The amount of bonds of any series issued subsequent to series A and secured by first mortgage bonds of other companies shall not exceed 25 per cent of the principal amount of all bonds outstanding under the mortgage.

The bonds were offered on the following terms:

Series A, 4½% $35,000,000, October, 1927, at 95½ to yield 4.75%.

Series B, 4½% $10,000,000, April, 1928, at 98½ to yield 4.60% and $6,000,000 in March, 1929, at 93.

Series C, 5% $15,000,000, February, 1930, at 98½ to yield 5.08%.

Series D, 4½% $20,000,000, October, 1930, at 97½ to yield 4.63%.

SCARBORO NEEDS RIGID ECONOMY

H. L. Cummings Tells Ratepayers Assessment is Too Low

The township of Scarboro is in a difficult financial situation and unless steps are taken to remedy matters by reducing expenditures the township will go bankrupt according to H. L. Cummings, municipal law officer for Ontario, in a recent address to ratepayers. Scarboro has an assessment of $8,000,000 of which $2,000,000 is on the rural community of 5,000 people and $6,000,000 on the urban section with a population of 9,000. Tax arrears amounted to $750,000.

Mr. Cummings blamed much of the expenditure of the municipality to the expansion of the city over its limit into the township, and the consequent requirement of sidewalks, sewers and similar conveniences. The low assessment of Scarboro he characterized as "a joke."

With the present assessment-to-debt ratio, he declared, all property in Scarboro was in effect mortgaged to the municipality for 50 per cent of its value. The assessment, he stated, could be raised easily to $16,000,000, thus making the debt only one-quarter of the assessment, but the safe average was 12½ per cent.

"I know of no place that has gone so far into debt in so short a time in an effort to keep up with the development of other places," he declared. "You have not only, in the past five years, tried to 'keep up with the Joneses,' but you have far outstripped them.

"If you set a path and follow it toward a goal, refrain from spending on new undertakings, in five years much of your present trouble will be behind you," he added.

Sin-Mac Mortgage Now Enforceable

From Our Own Correspondent

MONTREAL. — Announcement is made by the Montreal Trust Co. that the security created by trust deed of hypothec mortgage and pledge from Sin-Mac Lines Ltd., in favor of the Montreal Trust Co., trustee, on April 19, 1929, and duly registered, has become enforceable.

Sin-Mac Lines has outstanding bonds to the amount of $1,381,500, interest on which fell due on October 1, 1931. As the allotted 60 days have elapsed the company is now in default and a protective committee has been formed, it is understood, by bondholders representing principally those associated with the company's bond financing.

What action this committee will take is expected to be announced shortly.

Themis Bondholders Vote on Sinking Fund

From Our Own Correspondent

MONTREAL.—Bondholders of the Themis Building Ltd. will meet in Montreal on January 26 to approve or disapprove a resolution postponing the payment of the sinking fund due on March 1, 1932, March 1, 1933, and March 1, 1934, delaying by three years the payments due in 1932 to 1940, inclusively, of $405,000 as stipulated in the trust deed, plus the amount unpaid of $87,000, making a total of $492,000.

Financing of the Themis Building was carried out early in 1927, when first mortgage bonds were offered publicly.

BUSINESS EDITORS SAY 1932 A YEAR FOR DEVELOPMENT

Many Industries and Trades Adding New Lines

That most retail firms are carrying less than normal stocks at this season and that restocking will soon be the order for the early months of 1932 is apparent from reports received by The Financial Post from editors of leading business papers throughout Canada.

Reports received cover a great number of business fields and deal with the individual problems each is facing and new developments which are immediately ahead. The numerous reports published last week and supplementary data which now follow, afford a valuable index of the significant trends in the various departments of trade.

Inventories

Definite information as to the position of inventories in the various fields is of value and editors were asked if inventories were normal, sub-normal, or over-stocked. The replies are summarized below:

Textiles: Subnormal.
Men's wear: Subnormal.
Dry goods: Subnormal.
Fur trade: Normal (yet over-production is reported).
Canning: Very much over-stocked.
Food industries: Normal for manufacturers. Subnormal for retailers and wholesalers.
Milling: Normal.
Paint: Subnormal.
Sports goods: Subnormal.
Radios: Overstocked.
Pianos: Subnormal.
Paper: Fine paper stocks normally low. Coarse paper stocks normal. Newsprint stocks up slightly.
Farm implements: Dealers' stocks normal in power machines. Subnormal in implements. (No report on manufacturers' stocks).
Hardware: "Lowest in generation."
Lumbering: Producers are overstocked.
Shoes and leather: Little stock being carried.
Automobiles: Subnormal.
Metal working industries: Subnormal.

Chief Problems Faced

Information was asked as to the chief problems each field is now facing. A number of the fields are facing particular problems at the moment and reference is made to these in summary fashion below:

Textiles: Uncertain commodity price situation.
Men's wear: Price cutting.
Dry goods: Foreign competition. New federal regulations help.
Fur trade: Over-production. Lack of buyers for luxury furs. Adverse European and British exchange.
Fishing: Necessity of increasing domestic consumption.
Canning: Lack of early pack statistics. Sale of quality goods on price basis.
Packing: Poor export trade.
Milling: Uncertainty regarding British quota.
Motion pictures: Americans have difficulty holding foreign markets, due to talkies, and this affects supply of good films.
Paint and varnishes: Lack of building.
Radios: Too many dealers. Large distress stocks.
Pianos: High overhead and shortage of trained salesmen.
Paper: Over-expansion. Hand-to-mouth buying.
Printing: Short hours lead to unemployment.
Advertising: Need for greater care in selecting markets and in spending advertising dollar wisely.
Farm implements: Reduced farm buying power.
Hardware: Difficulty of reducing costs in line with decline in volume.
Lumbering: Need for educational work among public.
Shoes and leather: Keen competition.
Automobiles: Discount on dollar interferes with importation of parts.
Metal working industries: Extreme caution in expenditures by manufacturers, ameliorated somewhat by necessity of using modern equipment to cut costs.

New Developments

New and interesting developments in the field covered in the survey were asked for. It is notable that a number of industries and trades are adding new lines and in other ways attempting to solve their present problems. New developments as reported by business paper editors are as follows:

Textiles: Many new lines produced to replace imported goods.
Fur trade: Lifting of ban on Russian furs aids Canadians to supply tourist trade. Arrangements made for orderly marketing of silver foxes.
Fishing: Government survey of fish industry and trade expected to lead to policies that will stimulate market.
Canning: Formation of Canned Foods Association of Canada. Effort continues to form holding company to regulate marketing of pack.
Food industries: Tendency on part of manufacturers to service stores by truck and thus sell in small quantities and reduce stock deterioration.
Motion pictures: Growing interest in English films.
Sports goods: U. S. manufacturers come to Canada on heels of tariff.
Radio: Long-playing phonograph records stimulate sales of combination radio-phonographs.
Pianos: Group teaching takes monotony out of piano study.
Paper: Super-merger attempted in newsprint. Canadian newsprint mills gain from exchange amount equivalent to recent price cut.
Advertising: More color and illustration in copy. Closer co-ordination between sales and advertising.
Printing: More than 30 United States magazines now print Canadian editions.
Farm implements: Development of dairying and mixed farming in west. Greater use of fertilizer.
Hardware: Stores shift from 5, 10 and 15 cent business to larger lines and finance trade by deferred payment plans.
Lumbering: Educational work among public is now being financed by mills and dealers.
Automobiles: New 1932 models are revolutionary in many respects.
Metal working industries: Tariff changes bring many new plants. Industries seek formula for replacement of obsolete equipment.

St. Jerome Power Bondholders to Act

From Our Own Correspondent

MONTREAL.—Village of St. Jerome has defaulted in its payments to the St. Jerome Power Ltd. and in order to consider the situation, a meeting of the bondholders will be held in Montreal on February 2nd next.

On November 16th, 1927, the village entered into an agreement with the St. Jerome Power Co., whereby it was to make certain payments to the company. A sum of $5,368, covering interest and capital due, was to have been paid on December 31, 1931, but notice was given that the payment would not be made. This situation arose as a result of a judgment rendered by the Court of King's Bench on June 3rd, last, cancelling by-law No. 59 of the Corporation of the Village of St. Jerome.

It is expected that a protective committee will be formed at the meeting of the bondholders.

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TORONTO, JANUARY 2, 1932

CAN NOT BLAME PUBLIC FOR EXTRAVAGANCE

ONE of the chief alibis of the politicians when taxes rise, is that they have merely given the public what they asked for. But this is not by any means a proper defense to a policy of extravagant expenditure of public funds. The public, taken as a whole, wants good government at economical cost. Often, however, interested groups are able to make it appear that the public is unanimous in demanding a certain expenditure or a certain policy.

There are two groups, expert in the art of propaganda, that are largely responsible for this situation. First, there are promoters of one kind and another who have something to sell, either in the way of contracts or supplies who carry on thoroughly organized propaganda to secure orders. There are contractors who have sales agents going about developing public opinion for a new highway, new sidewalks, new sewers, new bridges, etc. They get up petitions and, working behind the scenes, generally organize a local agitation which makes governments think that the public is sincerely convinced of the merit of the new proposal. Canada's railway problem today is to a very considerable extent the product of local agitation stirred up by promoters seeking contracts.

The second group, who make it appear that the public is always asking for the expenditure of more money, are the faddists. These are the cranks and theorists who work out ideas of public ownership, paternalism, etc., and who get the public aroused to support their ideas by assuring them that they will get the benefit and the government will pay the bills.

The duty of governments is to protect the public against the agitations of profiteers and faddists and not to fall for every scheme that is presented.

When a government official blames high expenditure upon public demands he is showing that he has no proper conception of the responsibility entrusted to him.

THE ROAD BACK

THE opinion is held by many that consolidation of the leading Canadian newsprint companies would effect economies of a worthwhile nature. This would be accomplished primarily through the virtual closing down or scrapping of certain high cost mills. This in turn would mean the wiping out of capital represented by these non-productive assets. At the same time there would follow elimination of watered securities, a feature of the financing of paper companies in this country for some time past and one of the causes for the present ills of both the newsprint and fine-paper manufacturers.

Even if the present survey shows that the cutting down of capitalization is essential to putting the industry back on its feet, it does not necessarily follow that a merger would be the best means of accomplishing this end, nor that it would be better than if such action were taken by the individual company.

Organizations in other lines of business have found themselves in a position where it was necessary to relieve themselves of the burden of excessive capitalization. This has been done without resorting to a merger with another concern in a similar position.

The same treatment would seem to apply to the newsprint companies. In their particular case there is the added motive of abstaining from anything even remotely resembling a combine for the reason that American buyers, principal users of Canadian newsprint, are strenuously opposed to any organization in a position to influence the price of an essential commodity.

Maintenance of a free, competitive market is of as much importance, if not more, than cutting down capital values or operating costs, in considering any scheme devised for affording relief to the Canadian newsprint manufacturer.

SPLIT CONTROL ADDS TO TAX BURDEN

IN ANY study of rising governmental costs in Canada one is struck by the fact that wherever more than one government has control over spending in connection with any service or function expenditures rise more rapidly than when a single government is involved. This has been apparent in connection with old age pensions.

Education is also such a function. The federal government made a grant for technical education. This induced the provinces to make additional grants. In turn, the municipalities made still further appropriations. The local governments no doubt went further in technical education than they would have gone if they had been left to finance their own plans.

Again, in 1921, the province of Ontario brought into force legislation increasing the age limit for compulsory school attendance from 14 to 16 in towns over 5,000. Let us show how this has affected school costs in Toronto, as one typical city. It is estimated that if the age limit were still 14 attendance at secondary schools in Toronto would have been 12,440 in 1930; instead it was 21,277. The 8,787 excess pupils cost the taxpayers of Toronto $1,218,405 in 1930. The cost to the end of 1930 was $7,387,530.

Thus, we see how expenses mount when one body passes the laws and another administers them. The problem is intensified by the fact that the school board is in most parts of Canada only a spending body; it derives its revenue from another public body—the city or town council—which fixes the tax rate. There cannot be complete coordination to force efficient expenditure when no less than four classes of government — federal, provincial, civic and school—have a hand in determining what the taxpayer must finally pay.

RAIL AMALGAMATION

THE Ottawa Citizen quotes an article from The Financial Post as evidence that this paper supports amalgamation of the two railway systems. It then quotes another editorial in which we tell of the unfortunate experience of several mergers. "The Financial Post thus barks at The Financial Post," says the Citizen smartly. The Citizen has misrepresented The Post. The article dealing with railway amalgamation merely presented a scheme that had been discussed but The Post did not give it its blessing. In fact in the very article which the Citizen takes as indicating The Post's support of railway amalgamation, The Post indicated that the danger of such a merger was that it might in time develop the usual weaknesses of mergers and monopolies. The Post has offered no solution of the railway problem but has discussed a number of plans. It feels that it would be a good idea for the citizens to wait for the report of the Duff Commission before committing themselves firmly to any one idea. However, in a general sense, The Financial Post feels that competition in railway service in Canada is essential but it does not feel that such competition need take the form of the reckless race for vantage points that has characterized C. P. R.-C. N. R. relations in recent years.

INVESTMENT UNDERWRITING NOT JOB OF BANKS

IN THE United States, there is going on now a very decided tendency to separate commercial banks from their security affiliates. If this movement goes far enough, there will be brought to an end a chapter of American banking history that was particularly unfortunate and in many respects unsavoury. Many of the large American banks, during the boom, organized investment companies. In some cases, the banks were controlled by the investment companies and in other cases the investment companies were controlled by the banks. These companies carried on all the functions of an underwriting house in connection with bond and stock issues and in many cases conducted some of the operations of investment trusts, either underwriting securities for a profit on the appreciation of these securities or investing in a diversified list of securities, also for stock market profit. The unhappy fate of most of these ventures has led to a very searching analysis of the methods of conduct of their operations. Some scandals have already been unearthed and it seems inevitable that during the coming year, there will be a succession of these revelations which will further undermine confidence in the banking ability of many of the leaders of the profession in the United States.

In all too many cases, the chief purpose of the security affiliates was to convert into bond and stock issues, that could be unloaded on the public, frozen loans which the banks had been unable to collect. This was done on the naive theory that if a company could not afford to pay 3 or 4 per cent interest on a $5,000,000 loan to the bank, it could afford to pay 6 or 7 per cent interest on a $5,500,000 bond issue in the hands of the public. American bankers in recent years have gotten far away from the conservative functions of utilizing depositors' money to make sound and self liquidating loans, and they are now paying seriously for their departure from true principals of banking.

Going to the opposite extreme, British banks avoided close connections with British industrial and export firms. In the MacMillan report, there is a lengthy discussion of the preference of British bankers for investments in the international acceptance market over loans to British industries and it is strongly urged that British banks should make closer and more permanent connections with industrial companies, giving them advice and assistance in connection with all their financial problems.

Between the two extremes, lies the Canadian banking system. Canadian banks have an intimate connection with Canadian industrial and other business corporations. A Canadian firm seldom changes its bankers and its "paper" is not bartered in the open market. It relies upon the advice of the banks in connection with practically all of its financial problems. The bank provides all the short term extra capital that is required in the business, and it will assist in making investment banking connections for the firm when it requires long term capital. But the Canadian bank will not undertake to raise this long term capital from the public, nor to underwrite the issue. There has been a tendency for Canadian banks to get in to the investment banking business, but to date, they have wisely avoided the underwriting of anything but government and municipal bond issues and have left to investment banking houses, the underwriting of industrial and commercial issues. This distinct line of demarkation in their investment banking function should be strictly maintained. American experience proves this.

The manner in which Canadian banks have maintained their intimate connection with Canadian business without going beyond the function of proper commercial banking is something for which the Canadian banking system may well merit praise.

SEND THIS MAIL TO OTTAWA

FROM time to time The Financial Post receives letters from its readers complaining that they are being pestered by shyster American oil or other promoters, usually operating from Texas or Oklahoma. The intelligent man will throw such literature into the waste paper basket, but unfortunately a number of people will be influenced by the lies and promises in the offering prospectuses and may be induced to send money to the promoters for speculation or investment.

It may not be generally known to the readers of The Financial Post that two or three years ago the post-office department adopted the policy of refusing the use of the Canadian mails to known or obvious crooks and circular letters coming into the Canadian post-office from many of these wild cat operators have been turned back. If our readers find themselves put upon the "sucker list" of some cheap-jack American promoter and thus receive insidious literature of the type that would make a man liable to arrest if he mailed it in Canada, they should send the whole letter with the envelope to the post-office department. If after investigation, the department decides that the literature comes within the prohibited class, they will do what they can to stop its entry into Canada.

Too much should not be expected of the post-office officials in this respect. They obviously cannot know what is contained in every envelope entering the country, and neither the post-office nor the attorney-general have any authority over crooked promoters operating from without the country. But a great deal of money will be saved from Canadians when the sales literature of theives and crooks can be recognized and either destroyed or returned.

POLITICIANS HOLD BACK PROSPERITY

EDITORIAL sun-ray lamps are working overtime producing sunshine for Canadian readers. There is undoubtedly a brighter tone in business than a few weeks ago and it is easier to fill up a daily column than it was in the darker days of the spring and summer. But there is danger that the sunshine theme will be overworked. The foundations upon which prosperity will be laid in Canada are yet a bit unstable. There are still serious possibilities in the German reparations situation and in the Orient. The world monetary problem, which is at the base of the price decline and therefore of all our troubles, is still present. At home our railway problem is still unsolved and the Dominion and the provinces have failed to balance their budgets.

Business men will hasten to take advantage of every improvement that offers itself but they insist upon getting the proper sort of support from the politicians at home and abroad. There are enough indications of improvement in the fundamental economic situation to warrant the hope that if the politicians would do their part we could speed up prosperity's return. All that the world of business asks of the politicians is an even break but it is not getting it.

If our governments would begin at once to live within their incomes, then we would lay the basis for sustained business expansion.

EDITORIAL NOTES

Is Canada on the gold standard? The London Times says: "To be effectively on the gold standard a country must make payments in gold freely and without restriction." The Financial Post has quoted many economists whose definition of being on the gold standard does not include a condition such as prevails in Canada.

POST-scripts

WOMEN'S magazines are full of recipes. Cakes, muffins, pies and puddings are all well represented. Recipes for good things to eat obviously have their place in any publication going to women.

But it may surprise some to know that there are publications going almost exclusively to men that also publish recipes for table delicacies. These are the bakery journals. On our desk we have now a copy of one of these journals. Here is a good recipe for Graham bread and one for spice cake. We know it's good because it calls for six pounds of raisins. Then there is a recipe for Scotch oatmeal cookies. And just look at that Crisco ad with the crisp icings on those tempting cakes! Who wouldn't be a baker?

WHILE British millers have always shown a keen liking for Canadian wheat, because of its excellent milling qualities, it has not occurred to many of them that wheat of Canadian grade might be grown in England. The Duke of Newcastle, when he was out in Canada in 1928, secured a small sample of that year's crop, which he has grown in the Old Country for two seasons. He has found that the crop is ripe in each year before the English autumn sown wheat on similar land. The 1929 wheat matured in 138 days; the 1930 in 133 days, and the 1931 wheat in 147 days. He points out, in a letter to The Times, that a sample of this year's crop has been submitted to one of the leading corn merchants whose opinion is that the wheat is superior in milling qualities to the best English milling wheat. He feels that it is as good for the purposes of milling as that which is grown in Canada.

However, Canada is not worrying a great deal. The English acreage available for wheat is not large and we in Canada can still continue to grow this wheat in periods as short even as 95 days.

THE old adage that people who live in fur houses should not throw moths, or something like that, was well illustrated in an incident which recently took place on the Quebec-Vermont border. Owing to the depreciated value of the Canadian dollar thrifty housewives in Vermont had been making a practice of motoring across the border and buying their groceries, in moderate quantities, in Canadian villages. So popular did this habit become that a public-spirited citizen in one of the American towns rose up and with much eloquence denounced the unpatriotic attitude of his comrades. They were buying food in a foreign country, he shouted, merchants in the home town were going bankrupt; it must be stopped at all costs. Finally customs pickets were reinforced and several offenders who persisted in buying Canadian goods were nabbed. Only one proved a worthwhile catch; she was the wife of the public-spirited citizen and had $87 worth of groceries in her car.

New Books

"Charting Courses"

Machine analysis of statistics was made possible by the Hollerith calculating and sorting machines. The Hollerith machines have made possible statistical analysis of different factors in business which would have been much too expensive by any other method of calculation. For the enormous life insurance company, for a government bureau of statistics and for similar large organizations, a mechanical tabulation of statistics is economical, but for the smaller company or for the large company whose statistical work is limited in nature, lease of such machinery and payment of personnel may be too costly. This has brought into being organizations which undertake to do statistical and analysis work, utilizing the Hollerith and other mechanical equipment.

One such organization is the Recording and Statistical Corporation in Toronto, and it has published a book outlining the methods of such statistical analysis. The volume is called "Charting Courses."

In the Mail

The Problem of C. N. R.

Editor, The Financial Post,—

I note by your issue of the 12th inst. that you come out with an editorial, "Joint Management for Railways."* Do you not think this young nation of ours has enough of government-owned railways? I certainly think so. Have you given this matter serious thought, or is it propaganda on behalf of the railways for certain vested interest so that they won't lose their money and unload same upon the poor general public? Do you want to imperil the credit of this young country which has a wonderful future if the people are not taxed to death by big interests dumping their unsound and uneconomic propositions on the governments when they get up against it?

If I remember rightly, a previous issue of your paper stated Wall Street had notified Ottawa that they would not underwrite any further capital issues of the Canadian National Railway securities, even with the guarantee of our federal government; so I don't see why you are now trying to mold public opinion to get deeper into the hole. The Drayton-Ackworth report placed the people of Canada in a position where they were obliged to take over a number of lame-ducks, and consolidate them into the Canadian National Railways; but back of it all was the cry that if it was not done, Mackenzie and Mann, with all their associates, including one large bank, would go to the wall. Why? Because the bank had loaned that crowd, directly and indirectly, large sums of money, injudiciously; and the result of it all was that the general public have had to pay the piper for their mistakes. The provincial governments were also tied up with a bunch of railway guarantees, and the consensus of opinion at that time seemed to rule that it was better to do what was done than to let everything go into liquidation when matters were so badly mixed up. At this time, the big railway interests have no such cry; and in view of the statement made by Mr. Bennett in Winnipeg in 1930, "amalgamation never, competition ever, that is the policy for which I stand." I do not think our prime minister would ever consent to such a proposal without first submitting it to a plebiscite of the people of Canada.

Now, coming down to the suggestion of amalgamation. Just think of trying to unload a proposition like this without a plebiscite on the poor general public. Whoever is guilty of same should be hung. While I have every sympathy for vested interests, and think that they should get satisfactory returns on their investments, I certainly do not favor any such proposal as this.

How is it that your paper does not criticise the pass system? Why not find out what it amounts to on both railways, and give this information to the public? Why not also find out what the salaries and expense accounts are of the executive officers, and also give this to the public? Thornton told the railway committee the reason they did not want this information given out was because American railways might steal their good men. Such bunkum! My opinion is that the American railways are in the same fix as the Canadian railways; that is, they have more high salaried men than they require and know what to do with.

J. F. McMILLAN.

Edmonton,
Dec. 17, 1931.

*Editor's Note: The attention of Mr. McMillan and other readers is directed to an editorial note this week which explains that The Post discussed the pro's and con's of an amalgamation plan but did not support it.

McDougall & Cowans' Failure

Editor, The Financial Post,—

You say Canadian companies should supply quarterly and even monthly financial statements to the stock exchanges. I think a more important thing would be a daily financial report of the brokers.

How can a broker doing a legitimate business go broke? Were you not astounded at the liabilities of McDougall & Cowans? Bad and doubtful accounts of $5,776,202.47. Who were these privileged persons? Were there any financial writers in such list and what "quid pro quo" did they give?

Accountants furnished certificates to the Montreal Stock Exchange in September that McDougall & Cowans were solvent. How could they honestly make such a statement with $5,776,202.47 bad and doubtful accounts?

A thorough investigation of the failure of McDougall & Cowans by the Department of Justice is necessary. Most of the creditors were investors (as the speculators were cleaned out long ago) who mortgaged their homes, borrowed on their insurance, or put up their hard-earned savings to cover their margins, only to find they lost their stocks. How?

WM. C. MORTIMER

Winnipeg,
Dec. 24, 1931.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

STANDARD Trade and Securities Service states that financial and political conditions in Germany have been steadily becoming more serious, and with the approach to maturity of the short term credits extended to that country, the pressure now accumulating on the Bruening government must find vent in a violent repercussion in one direction or another.

But politics in the countries most intimately concerned are bringing the situation to an impasse. France has practically no financial interests in Germany. General elections occur next spring in the former country, with popular opinion solidly against a reduction in reparations.

In Germany, also, elections are not far away, and the pressure of new economy measures is undermining the possibility of a pre-election Fascist coup. While probably honoring outside commercial debts, Fascist principles favor repudiation of reparations.

In the United States, it is gradually becoming clear that final and full collection of war debts is an economic impossibility. Nevertheless, with elections imminent, every appearance of strenuous resistance to cancellation propaganda must be made to the constituency.

AMERICAN business expects to get along with practically no export trade in 1932. Many concerns are rapidly getting themselves down to a domestic basis, calling in their export managers and admitting that they cannot meet the competition of the nations that are off the gold standard. The suspension of gold payments and the restrictions on exchange by different countries are bringing natural economic correctives into the situation, involved in the world-wide maldistribution of gold.

Not only is the United States losing out in export markets, but it is beginning to feel the pressure of foreign exports in its own market. Considerable foreign merchandise is finding its way over American tariff barriers.

While large numbers of American people, interested in export trade, are naturally worried by this situation, it is undoubtedly a fundamentally sound development. It has been pointed out for years that it is essential for the United States to buy our merchandise and to ship less if the international balance of payments is to be adjusted properly. The American tariff has made it difficult to bring this situation about, but the action of Great Britain, Canada and most of the world countries in suspending the gold payments has brought into play the natural forces that were for a while suspended.

The United States can, of course, stimulate its export trade by doing what it did in the three years before the depression began, that is, by extending large foreign credit and making large foreign loans. This will be slow developing because most of the money loaned by American bankers and investors abroad is already frozen. But at one of the international conferences to be held during 1932 a way may be found for new loans by the Americans to other countries.

Other People's Views

Limitation To Our Resources

Regina Star.—Now it is being realized that the cost of government must be reduced. The Federal government, by increased economies, is doing its best to show the way, and other administrations are being forced to recognize that budgets must be balanced by temporary sacrifices on the part of the people.

If we must have four thousand governments to manage our national business, we must, of course, pay the piper. But there is a limitation to the financial resources of the country of ten million people, and if that limitation is exceeded danger will quickly become imminent.

Thrift and Character

Health Logic, London, Eng.—In a speech some years ago, Sir Josiah Stamp, one of the foremost economists of the day, spoke of the influence of thrift on the human character. He said: "The carefully-fostered habit of thrift has most important reactions on the character of the individual—influences all to the good in building up a self-reliant population. Anything which teaches men to do more than live for the moment, to deny themselves a pleasure now for a greater one later on, or to deny themselves a pleasure at all for the greater pleasure of others is such a thing as must strengthen the individual will. Such an influence is the habit of thrift. Anything that teaches men that life is more than a succession of days and weeks, to be got through somehow, each separate from the other, and that life is greatest if it is looked at as a whole, and planned for as a whole, has a powerful and worthy influence on character. The habit of saving tends to make men more independent and self-reliant, and confers that superiority complex which is so essential to the best work. On the negative side anything which confers freedom from anxiety, from a sense of worry, puts the soul and motive force of man into the very framework of serenity—that promoter of good and powerful work, that blessed angel of leisure. Nothing so lowers the general vitality as the canker of care. How much may mean that little hoard of savings!" Apart from the value of thrift to each individual worker, there is the inestimable value to the nation, but this is too large a subject to be dealt with here.

"Stop Me If You've Heard This One"

Professor—I have been robbed of my new pocketbook.

Wife—Didn't you feel a hand in your pocket?

Professor—Yes, but I thought it was my own.

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Business Conditions in Canada

The Week in Business

Purchasing Power Declines 20 p.c. in 1931

Alberta Makes Best Provincial Showing

Agricultural Return Still Over Billion Dollar Mark

ESTIMATES of the purchasing power of all Canada for 1931 prepared this week by The Financial Post Business Year Book reveal a drop in total purchasing power for the year of 20.4 per cent. The final return gives a figure for all gainfully employed persons in the Dominion of $4,033,194,000 as compared with $5,076,723,000 in 1930 and $6,071,706,500 in 1929. On a per capita basis this works out at $390 for all Canada as against $490 a year ago or a decline of exactly $100.

This is not strictly an estimate of "income" but it does give a valuable comparative picture of the "productivity" of trade and industry during 1931 as compared with 1930. It shows that although many of us worked even harder in 1931 than in either 1930 or 1929, the dollar valuation of the works of our hands and brains was worth a billion dollars less than in 1930 and $2,000,000,000 less than in 1929. In the meantime of course our buying power has increased somewhat to offset this drop in productivity, by means of lower commodity prices, since in the past 11 or 12 months the cost of goods, rents and services at retail, as measured by Dominion Bureau of Statistics indices has decline 9.9 per cent.

* * *

THE figures are also interesting as denoting the important change in the relative position of the various provinces. Thus while the average decline for the Dominion was 20.4 per cent, Alberta made the best showing with a drop of only 13.3 per cent due to bumper crops in a large portion of the province, which more than offset the drastic drop in wheat prices. Saskatchewan, as was to be expected, suffered most severely during the year due to a virtual failure of its big cash crop, while Manitoba for the same reason showed a 26.6 per cent decline in its per capita return. Ontario still leads all provinces with an average per capita return of $531.

* * *

ANOTHER startling result of this important survey which is undertaken annually by The Business Year Book, is that gross revenue from agriculture is still found to be over the billion dollar mark in spite of the fact that the dollar return from the prairie wheat crop was less than $110,000,000 as compared with $175,000,000 a year ago and $320,000,000 in 1929, and that revenue from all field crops is estimated for the year at only $430,000,000 as compared with $630,000,000 a year ago and $950,000,000 in 1929.

In other words it is vitally important to realise that this Dominion is no longer a one-crop country and that even if our big exporting commodity does go "sour" we can still fall back on a rich and widespread agricultural economy that even in this year of unprecedentedly low prices and drought, brought us a gross revenue of just over one billion dollars.

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MUCH CONFUSION CAUSED BY LACK OF CUSTOMS DATA

Port Officials Bewildered by Avalanche of Orders

From Our Own Correspondent

OTTAWA.—Endless confusion and great embarrassment are being caused by the inability of Canadian customs port appraisers to enforce the tariff uniformly.

Numerous cases of inequality of treatment have been reported at Ottawa, and while efforts are being made to straighten them out, and obtain uniform administration throughout the country, immediate success is not anticipated.

According to the officials of the National Revenue Department, the trouble is that port appraisers are not yet efficient in interpreting the various orders-in-council and bulletins which have modified the tariff in the past year. Many arbitrary duty values have been fixed, many orders have issued fixing discount rates, many changes in tariff have been made. Under the weight of these modifications, many of which are highly technical, the port appraisers are struggling along. It is impossible to refer all doubtful cases to Ottawa, and the result is some widely divergent decisions as to the value of imported articles, and the duty thereon.

A typical case concerns importation of advertising plates to be used by Canadian publishers in printing advertisements for United States' manufacturers. One set of these plates, imported at Toronto was charged $3 duty. A similar plate imported at Montreal was charged $13 duty. Indeed, the same article imported through the same port at different times has been charged a widely varying rate of duty.

The department is fully aware that this lack of uniformity is very annoying, and everything possible is being done to improve the quality of work done at the ports. It is pointed out, however, that the appraising staff at the ports was built up at a time when the tariff was quite a simple matter. The rates of duty were clearly set out in the tariff act, and values were always the invoice values. The dump clause, also, was very simple in operation. Today the business of a port appraiser is exceedingly intricate, and many mistakes are being made.

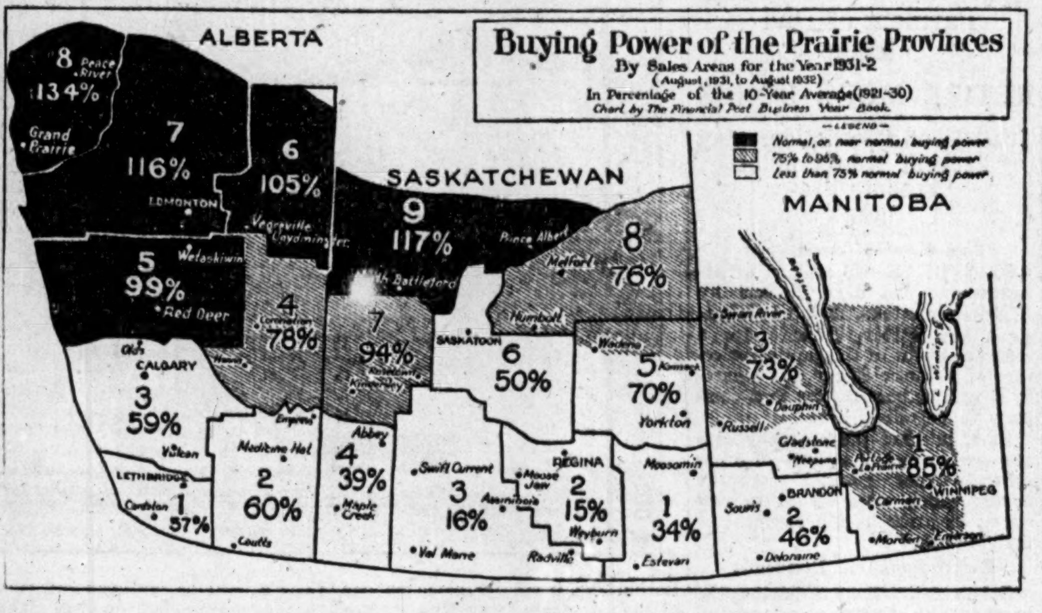
Of course, the headquarters staff are correcting these errors as rapidly as possible, and final adjustments will be made in each case. Meantime there is a good deal of criticism directed toward the National Revenue Department at Ottawa.

Business Briefs

Car loadings continued seasonal contraction in week ending December 19, totalling 42,630 cars, showing six per cent decline from previous week and 8.88 per cent below same week 1930. Total loadings to date at 1,273,201 cars are 24 per cent below same period last year; l.c.l. merchandise, 14½ per cent lower at 758,822 cars; grain, 5½ per cent lower at 379,000 cars. No classes show gains.

Wheat stocks at December 18 totalled 190,862,193 bus. compared with 189,306,796 bus. the week before and 216,650,613 bus. at same date 1930. Export shipments totalled 1,612,714 bus., mostly from Vancouver; almost entire decrease of 1,580,000 bus. compared with same week 1930 due to reduced shipments via U.S. Atlantic seaboard ports.

Business Year Book Analyses Prairie Buying Power



Startling changes in the buying power of the prairie provinces for 1931-32 are indicated in the above chart prepared by the W. Sanford Evans Statistical Service of Winnipeg for The Financial Post Business Year Book, 1932, which will be published during the next two weeks.

Last Quarter Shows Improvement By Areas

Most of Five Economic Divisions Show Improvement in October and November

By SYDNEY B. SMITH

The trend of Canadian business activity showed moderate gain during the early months of 1931, but the promise of recovery held out by developments in the first quarter was unfulfilled during the remainder of the year. In four out of the five economic areas of Canada business operations revived moderately in the first quarter from the low level of the latter part of 1930. The continued decline of wholesale prices in world markets and the severity of the financial crisis in Europe had a reactionary influence on Canadian business which became apparent after the first quarter and continued during the remainder of the year.

In the last quarter the outlook was brightened somewhat and the index of business activity turned upward in four areas. This reversal of the downward trend in the latter part of 1931 is significant in view of the implications as to the prospect for the coming year.

Factors Used

The factors used here as a measure of the trend of business activity were selected as being the most efficient indicators with geographical distribution. The trend of the construction industry is indicated by the value of construction contracts and building permits in 61 cities. The progress of the power industry is denoted by the average daily output of electric energy by the central electric stations. The index of employment based on reports from employers engaging more than 15 hands is one of the most efficient general indicators of industrial activity.

As a large proportion of business transactions are settled by bank cheque, financial transfers in the form of bank debits give a clear indication of the magnitude of business operations. The sales of life insurance present a composite picture of the effective demand for an important medium for saving. And finally the labor turnover is indicated by the regular placements of the government employment offices. These factors are adjusted for seasonal tendencies expressed as a percentage of the monthly average for 1926 and weighted inversely as the amplitude of fluctuations from computed normal.

Course of Index

Starting the year with an increase to 111.5 in January, the general index for Canada moved up to 113.1 in February. March dropped to 112.9 and from that point the index continued its downward course until 95.8, the low point since the early months of 1926, was reached in September. Subsequent to this the index increased to 96.5 in October and made a further advance to 99.1 in November.

Aside from the Maritime Provinces, business activity in the several economic areas conformed rather closely to this general trend. There was no upturn in Quebec during the latter months for which statistics are available. The index for Ontario turned up moderately in November, the standing being 90.8 compared with 89.1 in October. The index for the Prairie provinces was fairly well maintained in the third and fourth quarters of 1931, a substantial gain being shown in November. The drop was pronounced in British Columbia during the greater part of the year, the gain in October being practically maintained in November.

Inflation and Prices

Hopes for moderate recovery during 1932 are based on several obvious considerations. The business depression has now been in evidence for about thirty months. Wholesale prices have been thoroughly deflated averaging not far from pre-war levels, while many raw materials are at a much lower level than obtained in 1913. It is logical that the next important movement will be upward rather than a further decline of important proportions. Any pronounced rise in wholesale prices reflecting diminished stocks and postponed demand would have a marked effect on business psychology leading to a resumption of operations. The tendency toward inflation indicated by the widespread abandonment of the gold standard in European countries and the provision in the United States of ample credit under governmental supervision, tend to effect a turning point in wholesale prices.

Industrial operations in the last two years have been below computed normal. Commodities, owing to the declining prices and consequent unprofitableness of productive enterprise are now being produced in a volume insufficient to meet normal requirements of Canadian and external markets. Conditions in other countries, notably Germany, Great Britain and the United States have adversely affected the economy of Canada in 1931, but there is more than a chance that improvement may come in the early months of 1932.

Await Debt Settlement

The war and commercial debts of Germany present a serious problem which cannot be easily solved. Some authorities believe that if an acute financial crisis occurs in Germany during 1932, it may be followed by a world economic collapse. Under the circumstances a definite forecast cannot be made until some arrangement is made regarding German debt.

In the meantime conditions in Great Britain have shown considerable improvement in the last quarter. The forced abandonment of the gold standard improved the industrial situation and the change in the fiscal policy confirmed by the widespread support given to the national party has resulted in a better outlook.

Many Branch Plants

Despite the depression, conditions have favored the building of branch plants in Canada for meeting the requirements of the home and empire markets. Imports from the United States have declined greatly during 1931 and the Canadian manufacturer is alert to the opportunity of meeting domestic demands. The depreciation of sterling presents an incentive to Canadian producers to export more largely to Great Britain as well as to the empire generally.

Despite the depressed conditions of the last two years, the long term development of natural resources in Canada has gone steadily forward. The fertile lands of the Peace River Valley have attracted an increasing body of pioneers, and Canadian farmers await only the return of profitable agricultural prices for a further extension of the cultivated areas. It is a remarkable fact that hydro-electric development of over 400,000 h.p. was completed and put in operation in 1930 and at present plants with a combined capacity of 1,500,000 h.p. are under construction. The large developments include Beauharnois and Rapide Blanc in the St. Maurice River in Quebec, Abitibi Canyon in Ontario, and Bridge River in British Columbia.

Gold Mining Active

The rapid development of the mineral resources of Canada especially of numerous gold properties is also attracting widespread attention. The output in the principal gold camps has been well maintained and exploration and development work is being carried on aggressively. Present indications are that the production in Ontario during 1931 will reach the total achieved by all Canada in 1930. Base metal mining has been retarded by lack of markets and low prices but Canadian mines are in a position to greatly extend operations when better marketing conditions prevail.

Notwithstanding the increased difficulty of obtaining long-term funds by the issue of bonds, ample short term credit is available in Canada for approved purposes. The relative strength of the Canadian banking system is a matter of which Canadians may well be proud. Owing to the decline in prices as well as in business operations, the amount of credit required for the carrying on of business enterprise normally shows reduction toward the latter part of a depression. Thus it is found that loans, both speculative and commercial, have shown a decline while savings deposits indicated accumulation during 1931.

The disparity between deposits and loans accounts for the greatly increased bank holdings of high-grade bonds and securities. In this way the liquid position of the banks is maintained, and the funds are held in readiness against increased demand for loans for industrial or commercial purposes which will be occasioned by the passing of the turning point from depression to recovery.

It is evident that 1932 will be a year of readjustment similar to the year which is just ending. Whether improvement takes place in the latter part of the year depends upon the action taken in regard to the serious economic problems outstanding at the present time.

EMPLOYMENT INDEX BELOW 1926 MARK

Lowest Dec. 1 Figure Recorded For Five Years

The seasonal falling-off in employment recorded on December 1, 1931, was on a rather smaller scale than on the same date of last year, although it exceeded the average decline recorded at the beginning of December in the last ten years.

The 7,813 firms reporting to the Dominion Bureau of Statistics employed 901,854 persons on Dec. 1, compared with 937,494 in the preceding month. Reflecting this decrease of nearly four per cent, the index, based upon the 1926 average as 100, stood at 99.1, compared with 103.0 on Nov. 1, 1931, and 108.5 and 119.1 on Dec. 1, 1930 and 1929 respectively.

Further analysis shows that while employment as reported by employers was not so active as on the same date in years 1926-1930, it was in greater volume than on Dec. 1 in the five years, 1921-1925.

Losses were indicated in construction, and there were smaller reductions in transportation, communications, services and metallic ore mining. On the other hand, considerable seasonal improvement was reported in logging and trade, and manufacturing reported greater activity, mainly due to the resumption of work in large railway car shops.

Following table shows index figures of employment at December 1 in the past 10 years for the three main areas — Ontario, which is responsible for 41 per cent of the total employment in Canada, Quebec (28.1 per cent), and the prairie provinces (14.2 per cent).

EMPLOYMENT INDEX
(1926 average being 100)

	Ont.	Que.	Prairie Provs.	Canada
1931	99.3	94.7	106.0	99.1
1930	108.2	106.7	118.6	108.5
1929	123.1	118.4	119.0	119.1
1928	119.7	112.6	125.3	116.7
1927	109.1	110.1	110.8	108.1
1926	103.1	102.7	104.7	102.8
1925	98.6	93.9	96.7	96.5
1924	94.1	90.8	91.1	91.9
1923	99.5	93.9	98.6	96.9
1922	100.5	89.5	100.8	96.3
1921	91.5	79.8	94.9	88.3

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C. P. R. Gross Earn. (Dec. 21)	$ 2,584,000	$ 3,166,000	$ 142,228,000	$ 178,507,000
C. N. R. Gross Earn. (Dec. 21)	$ 3,119,430	$ 3,712,981	$ 174,182,425	$ 218,331,618
Car Loadings (Dec. 19)	42,630	46,783	2,539,256	3,111,192
Common Stock Index (Dec. 17)	60.0	108.8	....	....
Production—		Monthly		
Pig Iron, tons, (Nov.)	14,292	46,360	406,176	709,155
Steel, tons, (Nov.)	28,337	71,740	650,118	955,642
Newsprint, tons (Nov.)	175,643	201,703	2,038,121	2,319,391
Automobiles (Nov.)	1,247	5,407	80,152	148,570
Boots and Shoes, pr. (Oct.) .	1,554,144	1,552,302	15,269,386	14,898,392
Flour, bbls. (October)	1,693,925	1,868,575	12,510,606	13,679,946
Mineral Production—				
Gold, oz. (September)	240,200	177,800	1,962,800	1,493,910
Silver, oz. (September)	1,239,000	2,644,000	16,104,000	19,902,695
Nickel, tons (September) ..	2,519	5,122	29,952	41,911
Copper, tons (September) ..	12,444	13,006	117,499	118,000
Lead, tons (September) ...	9,550	13,502	107,121	125,831
Zinc, tons (September)	8,217	12,893	95,078	97,665
Coal, tons (September)	1,005,000	1,230,000	8,393,000	10,554,234
Nat. gas, M. cu. ft. (Sept.)	1,558,000	1,660,000	19,288,000	20,864,913
Petroleum, bbls. (Sept.) ...	101,400	139,950	1,278,200	1,038,756
Automobile Financing—				
Used Cars (Oct.)	$ 1,329,944	$ 2,503,904	$ 18,895,546	$ 29,804,525
New Cars (Oct.)	$ 1,323,443	$ 1,288,553	$ 19,064,405	$ 27,180,805
Construction—				
Building Permits (Nov.) ..	$ 7,992,815	$ 11,791,478	$ 103,604,484	$ 150,909,280
Contracts (November)	$ 24,642,200	$ 39,310,500	$ 304,224,700	$ 432,457,300
Labor—				
Employment Index (Dec.) .	99.1	108.5	....	....
Trade—				
Imports (November)	$ 46,911,012	$ 76,325,063	$ 587,843,781	$ 948,354,844
Exports (November)	$ 57,486,950	$ 73,060,871	$ 552,175,442	$ 819,086,698
Imports of Key Products—				
Rubber, raw, lbs. (Nov.)	2,761,273	4,766,980	51,089,470	61,475,499
Cotton, lbs. (October)	7,588,602	12,716,000	67,922,602	72,354,000
Sugar, raw, lbs. (Nov.)	70,656,900	62,852,200	752,021,400	769,699,400
Petroleum, crude, gal. (Nov.)	93,140,000	74,970,000	955,549,338	942,398,131
Coal, tons (Oct.)	1,446,690	1,930,465	11,030,239	14,789,898
Exports of Key Products—				
Newsprint, tons (Nov.)	171,151	173,149	1,846,408	2,105,516
Automobiles, No. (Nov.) ..	480	2,663	14,236	41,653
Wheat, bus (Nov.)	27,452,063	31,217,624	172,508,738	185,539,670
Wheat flour, bbls. (Nov.) ..	476,487	792,271	5,245,914	9,328,660
Electric Power—Output—				
M. Kilowatt hours (Oct.) ...	1,425,408	1,515,403	13,533,019	14,745,861
Population—				
Emigration (October)	1,030	2,731	10,862	38,889
Immigration (October)	2,056	4,445	24,712	99,449
Finance—				
Failures, No. (Oct.)	226	216	1,807	1,941
Failures, Liabilities (Oct.) .	$ 12,378,396	$ 4,017,101	$ 45,260,019	$ 40,565,515
Bank Debits (Nov.)	$2,841,832,827	$2,973,627,955	$28,948,345,698	$34,479,077,031
Bond Sales (Nov.)	$ 215,025,000	$ 65,149,654	$1,243,213,179	$ 717,081,753
Insurance Sales (Nov.)	$ 38,860,000	$ 46,868,000	$ 442,149,000	$ 518,182,000
Wholesale Prices (1926)=100—				
General Index (November) .	70.6	79.8	....	....
Iron & its products (Oct.) .	87.3	90.0	....	....
Cotton, raw	40.6	60.8	....	....
Grain	40.0	50.5	....	....

ADVISES BUYING OF COMMODITIES UPON WEAKNESS

Standard Statistics Thinks Basic Deflation Factors Now Exhausted

Recommendations as to purchasing policy relative to forty-five of the leading commodities are made by Standard Statistics Co. Inc., New York, dated December 23. Briefly, it is suggested that advantage should be taken of near-term weakness to assure comfortable covererage of requirements through the first several months of 1932.

Reviewing the general commodity situation this authority finds encouragement in the record of commodity prices in face of marked declines in almost every other category of values during the summer and fall. The belief is expressed that fluctuations are currently reflecting the general demoralization of public sentiment and the absolute lack of buying as industry approaches the inventory-taking period.

Upturn Forecast

An upturn in commodity quotations during the coming year is foreseen, partly due to the well liquidated condition of most categories of values and partly to the probability that some form of mild inflation will materialize.

Suggested purchasing policy in respect to important commodities is as follows:

BARLEY—Consumers advised to protect supplies at least three months in advance of current needs during periods of market weakness.

BRICK—Smallness of prospective near term demand suggests that buying be restricted to immediate needs.

BURLAP—While an active buying policy is not advocated at this time, present deflated prices justify consumers in maintaining supplies several months beyond current requirements.

BUTTER — Clients should cover immediate requirements only.

CEMENT—The unsatisfactory outlook for the next several months provides no basis for covering more than current requirements.

CHEESE—There is little basis for protecting other than near term requirements at this time.

COAL—ANTHRACITE—Advise coverage of requirements for the remainder of the season.

COAL — BITUMINOUS — Full season's needs should be covered.

COCOA—Believe that a policy of building up a heavy reserve supply during recurring weak markets should be followed.

COFFEE—Clients who have not protected medium term needs are now advised to extend accumulation only during periods of price weakness.

COPPER — Advise coverage of requirements through the initial quarter of 1932 and would further extend buying upon recessions.

CORN—Continued policy of gradually accumulating future needs on a scale down basis recommended.

COTTON—Clients who have followed our previous advices already have four to five months' supplies on hand; further protection at this time not justified.

COTTONSEED OIL—Although the period of relatively low prices probably will be prolonged, current quotations have rather fully discounted adverse influences. Advise protection of three or four months' needs on a scale down.

EGGS—Extension of contracts beyond near term requirements not necessary at this time.

FLOUR—Consumers are warranted in protecting flour needs three to six months ahead during weak markets.

GASOLINE—Only near term requirements should be covered.

HIDES—Recommend that additional forward commitments be made only on reactions.

HOGS—See no need as yet for extending commitments of products beyond current needs.

JUTE—Current prices dictate a policy of protecting needs three or four months in advance during periods of market weakness.

LEAD—Advise gradual extension of commitments beyond first quarter requirements.

LINSEED OIL—Protection of needs up to March are warranted during weak markets, but extension of commitments beyond that date would be justified only in the event of a sharp price decline.

LUBRICATING OIL—Little occasion for extending commitments beyond the satisfaction of near term requirements.

LUMBER—Sharply restricted output remains adequate to meet current and prospective demand, thus eliminating any incentive for making forward purchases.

OATS—Believe that a policy of gradually increasing forward commitments during declining markets is justified.

PAPER—Advocate a hand-to-mouth purchasing policy.

PARAFFIN WAX—Strong statistical position justifies a policy of satisfying needs three or four months ahead during weak markets.

PETROLEUM (CRUDE) — Advise against any material extension of forward commitments.

PIG IRON—In view of unsettled price structure, advise that only immediate iron requirements be satisfied at this time.

RAYON—CELLULOSE ACETATE—Forward buying not advised at this time.

RAYON—VISCOSE—Only near term requirements need be covered.

ROSIN—Clients who have not protected needs up to next season are advised to complete such a programme on further setbacks.

RUBBER—Advise securing moderate forward coverage on definite price recessions from current levels around 5 cents.

RYE—Recent sharp decline has placed rye in favorable buying zone. Advocate a more active purchasing policy, on a scale down basis.

SCRAP STEEL — While further recessions should be utilized to satisfy near term requirements, extensive forward buying is not justified.

SHELLAC—With little prospect of an increased demand during the next few months, there is no incentive to extend commitments beyond known nearby requirements at this time.

SILK—Advise covering no more than nearby requirements.

SILVER—Recommend that coverage of requirements for the first half of 1932 be gradually accomplished around 30 cents per ounce.

STEEL—Advise that only immediate requirements be satisfied.

SUGAR—See no incentive for contracting extensively for future requirements at this time.

TIN—Advise gradual accumulation of requirements for the first half of 1932.

TURPENTINE—Protection of needs up to next season is advised for those who have not already completed such a programme.

WHEAT—Although an advance in prices may be momentarily interrupted by the uncertainties of the near term business outlook, we believe that the bulk of current evidence indicates a gradual strengthening of the market during early future months, and continue to advise clients to satisfy medium term requirements on recessions.

WOOL—Advise comfortable coverage of near term requirements on the cheaper grades.

ZINC—Recommend that present commitments be confined to the satisfaction of known requirements for the initial quarter of 1932.

PRICE INDEXES HIGHER IN TEN OF 20 COUNTRIES

October Advances Marked in Countries Off Gold Standard

Advances in the internal movements of wholesale commodity prices in various countries during October were most marked in the United Kingdom and British India, while of other increases recorded countries which recently suspended gold payments are prominent. In 10 out of 20 countries the combined index advanced, according to a survey made by Commerce Reports, Washington, D.C.

Weighted average price index for the 20 countries combined was 1 per cent higher in October than in the preceding month. Prices in the United Kingdom and British India rose slightly more than 5 per cent. In Denmark and Finland the advance was nearly 4 per cent, Norway and Poland registered about 1.6 per cent, while in Canada, Italy, Austria and Sweden increases were of 1 per cent or less.

Decreases of over 3 per cent occurred in France and Latvia, and there were declines of about 2.3 per cent in the Netherlands and Peru, lesser drops being shown by the United States, Belgium, Japan, China and Czechoslovakia.

Twenty-two of the 41 food groups were higher in 18 countries while 20 out of 45 non-food groups showed advances, the greatest occurring in prices of industrial commodities in the United Kingdom, in iron and metals in Norway, and in oilseeds and raw and manufactured jute in British India.

The greatest declines in non-food classes occurred in prices of rubber in Belgium, textiles in Latvia, hides and skins, rubber and lumber in France, metal products in Belgium and lumber in Norway, decreases ranging from 9 to 5 per cent.

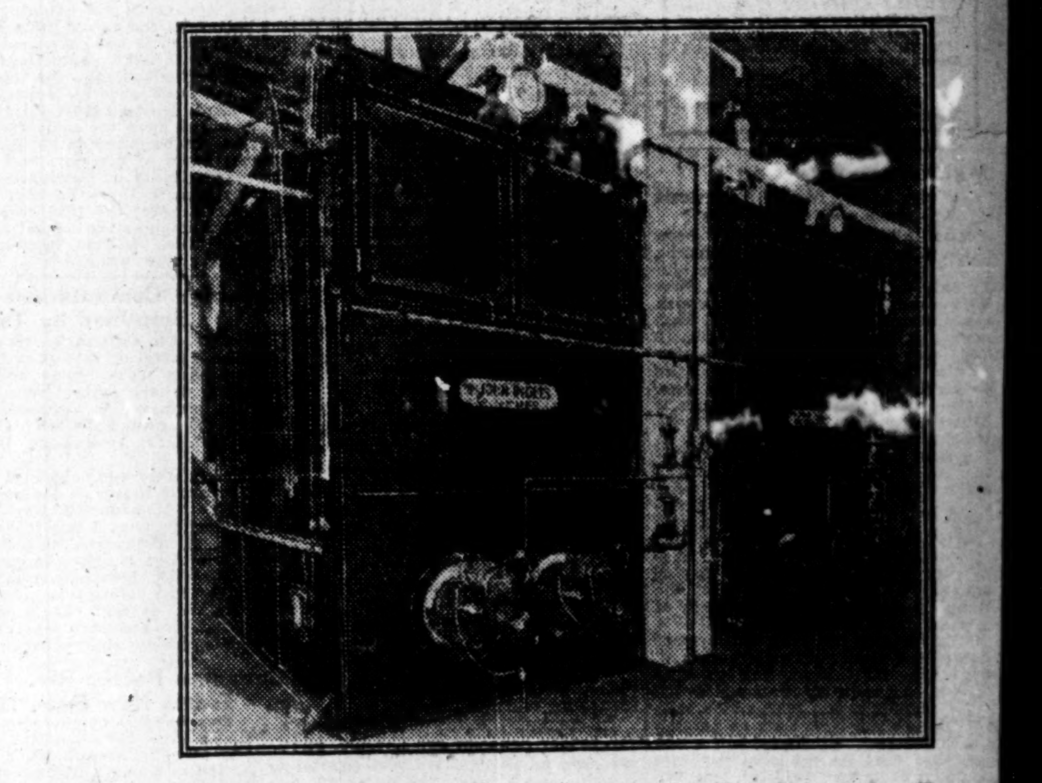
Changes in wholesale commodity price indexes of the various countries during October are shown in the following table, comparison being made with September and the high for 1929. As the significance of price changes over so short a period as a month is partially dependent on the date or period to which quotations relate, these are denoted by symbols.

World Wholesale Price Changes
Per cent change October, 1931

	Compared with 1929 high	Sept. 1931
Canada	[illegible]	[illegible]
United Kingdom	[illegible]	[illegible]
United States	[illegible]	[illegible]
France	[illegible]	[illegible]
Belgium	[illegible]	[illegible]
Germany	[illegible]	[illegible]
Italy	[illegible]	[illegible]
Austria	[illegible]	[illegible]
Netherlands	[illegible]	[illegible]
Denmark	[illegible]	[illegible]
Finland	[illegible]	[illegible]
Norway	[illegible]	[illegible]
Sweden	[illegible]	[illegible]
Poland	[illegible]	[illegible]
Czechoslovakia	[illegible]	[illegible]
Latvia	[illegible]	[illegible]
Japan	[illegible]	[illegible]
China	[illegible]	[illegible]
British India	[illegible]	[illegible]
Peru	[illegible]	[illegible]

M—Monthly average. W—Last week of month. [illegible] 15th of month. [illegible]

BOILERS
built and installed by INGLIS in the New
MAPLE LEAF GARDENS
TORONTO



THE Maple Leaf Gardens in Toronto, Canada's finest sports arena, is furnished with the best of equipment throughout. In this regard it is only natural that the heating boilers should be built and installed by the John Inglis Co. Limited, whose seventy odd years of boiler making and engineering experience guarantee that their work will give the maximum of efficiency and satisfaction.

Our engineering department will gladly advise you on any engineering or boiler-making problem without obligation.

The John Inglis COMPANY LIMITED
14 Strachan Avenue . . Toronto
618 Castle Building . . Montreal

DIVIDEND NOTICES

UNITED SECURITIES LIMITED

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, Dec. 23, 1931.

The Canadian Light & Power Company

Notice is hereby given that a dividend of One-half of One per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By Order of the Board,
JAS. WILSON,
Secretary.
Montreal, Dec. 23, 1931.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO 3

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending December 31st, 1931, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on January 2nd, 1932, to shareholders of record on the Register at the close of business on the 26th day of December, 1931.

By order of the Board,
M. MAYNE KENNEDY,
Secretary.
Toronto, Ontario, Dec. 12th, 1931.

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1932, at twelve o'clock noon.

By Order of the Board,
C. A. BOGERT,
General Manager.
Toronto, 17th December, 1931.

English Electric COMPANY of Canada, Ltd.

Dividend Notice

Notice is hereby given that the regular quarterly dividend of Seventy-five cents (75c) on the Class "A" Stock of this Company has been declared for the quarter ending Dec. 31st, 1931, payable Jan. 15th, 1932, to shareholders of record Dec. 31st, 1931.

By order of the Board.
A. MUNDY,
Secretary.
Toronto, Dec. 23rd, 1931.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Stock for the quarter ending on the 31st day of January, 1932, payable on the 1st day of February to Shareholders of record of the 21st day of January, 1932.

Action on the Dividend on the Common Shares was deferred until the results of the operations for 1931 are known.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, December 28, 1931.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, November 25th, 1931.

Manitoba Power Co. to Meet N. Y. Payment

From Our Own Correspondent

MONTREAL.—A report has been put into circulation that the Manitoba Power Co. is not going to meet its January interest payments in New York funds and in accordance with the contract of the Trust Deed. This particular point is quite clearly stipulated on pages 7 and 8, section 16, in the Trust Deed and is as follows:

"——both principal and interest to be payable in gold coin of the standard weight and fineness as it existed on the first day of January, 1926, forming legal tender in Canada, at the office of the Bank of Montreal, in the cities of Montreal, Toronto and Winnipeg, or, at the holder's option in gold coin of the United States of America of the standard of weight and fineness as it existed on the first day of January, 1926, at the agency of the Bank of Montreal in the Borough of Manhattan, City of New York,——"

The forthcoming interest payment due on the first mortgage "series A" 5½'s due 1951, amounting to $10,000,000, as well as the "series B," $2,500,000 5½'s, due 1952, which calls for payment in New York as per the above contract, will be paid in a like manner. The semi-annual interest payment calls for $343,750 and the cost of purchasing New York funds would be approximately $80,000 making the total about $423,750.

Canadian National November Net Gains

From Our Own Correspondent

MONTREAL.—An increase in net revenue of $10,066 for November 1931, in comparison with the same month last year, is reported by the Canadian National Railways. Gross revenues for the month of November last were $15,290,993, and operating expenses $13,206,511, leaving a net operating revenue for the month of $2,084,481. During the same month last year, gross revenue totalled $17,169,986 and operating expenses $15,095,570, making a net income of $2,074,415.

For the first eleven months of 1931 gross revenues were $163,862,574, a decrease of $43,180,633, as compared with the same period of 1930. Operating expenses for the 1931 period were $156,370,574, a decrease of $24,894,570, leaving net revenues for eleven months of 1931 of $7,491,999, a decrease of $18,286,063.

DOMINION BRIDGE SHARE EARNINGS $3.23 ON COMMON

Small Deficit Shown After Dividend Payments

STRONG POSITION

Redeems Subsidiaries' Bonds and Increases Stake in Dominion Engineering

From Our Own Correspondent

MONTREAL.—Though net earnings of Dominion Bridge Co. in the fiscal year ended October 31, 1931, were lower than those of the previous year, they fell short of dividends paid on the common stock during the period by only 7 cents a share, or $38,221. On the other hand the company has improved its position by redeeming outstanding bonds of subsidiary companies totalling $1,007,000, increased its investments in government and other bonds by $1,000,000 and has increased its holdings in Dominion Engineering Works by 7,100 shares purchased on the market.

Net earnings in the past fiscal year which include those of Manitoba Bridge and Iron Works for the first time were $2,164,852 compared with $2,383,813 in the previous period. The previous year's description of $400,000 has been increased by $107,035 representing a sum appropriated by Manitoba Bridge from its earnings on account of depreciation, and net profits were $1,657,817 or the equivalent of $3.23 a share on the 513,951 shares of common stock. Common share earnings in the previous year were $3.86 a share.

Shows Small Deficit

During the year dividends totalling $3.30 a share were paid, thus there was a deficit of $38,221 after their disbursement. The balance brought forward into the current year amounted to $4,328,283.

Following is a comparison of profit and loss accounts for the past two years ended October 31:

	1931 $	1930 $
Net earnings	2,164,852	2,383,813
Less: Depreciation ...	507,035	400,000
Net profit	1,657,817	1,983,813
Less: Dividends	1,696,038	1,812,166
Surplus for year	*38,221	171,647
Add prev. surplus ...	4,366,504	4,194,857
Balance forward	4,328,283	4,366,504

*Deficit.

Business Shows Contraction

Though profits showed but a moderate recession, business of Dominion Bridge suffered a sharp contraction in the year under review. The value of new work secured was 22.50 per cent less and the output was 32.5 per cent less than in the previous year. The company's Lachine plant accounted for 40 per cent of the total output compared with 32 per cent in the previous year; activity of other plans in relation to total output was as follows: Winnipeg, 21.4 per cent; Vancouver, 16.4 per cent; Toronto, 16 per cent; Calgary, 2.5 per cent and Amherst, 1 per cent. It is pointed out that these percentages do not include operations of Manitoba Bridge despite the fact that its earnings are consolidated with those of Dominion Bridge. Manitoba Bridge operates as an entity and sales and ouput are not included in the above figures.

Working Capital Lower

The balance sheet of Dominion Bridge reveals working capital at October 31, 1931, standing at $7,414,513 compared with $8,804,049 at the end of the previous year. Ratio of current assets to current liabilities, however, has been maintained at slightly better than 5 to 1 compared with 5.68 to 1 at October, 31, 1930.

Current assets total $9,172,923 against $10,684,884 in the previous year. The decline is chiefly accounted for by the drop in outlay on uncompleted contracts, less amounts received on account, which stood at $221,411 as opposed to $1,579,444. Accounts receivable are lower by $432,000 at $983,625 and inventories are down $510,000 at $1,688,797.

Investments Are Higher

Strong cash position is revealed in other assets. Cash totals $1,090,180, a decrease of $648,000, but call loans are higher by $500,000 at $2,950,000. Government and other bonds have been increased by slightly over $1,000,000 to $2,142,576. Reflecting the company's further investment in Dominion Engineering Works, which now totals 77,794 shares or 62 per cent of those issued, investments in and loans to other companies is higher by $289,000 at $2,685,781. Property account, less depreciation reserve of $4,801,658 is carried at $11,188,036, a drop of $163,000.

Reserve accounts are lower by $180,000 at $1,208,895. The drop is due to the fact that the Provincial Government took over employees accident insurance on September 1 making unnecessary the former reserve of $206,740. Of this reserve $160,000 has been used to provide for depreciation in government and other bonds held leaving $27,537 in employees accident insurance reserve.

In current liabilities bank loans for tender deposits are $54,600, an increase of $11,000 while accounts payable are slightly lower at $1,318,346. Dividend payable totals $385,463 compared with $462,555 reflecting the lower rate now in force.

Less Plant Expansion

During the year the net addition to capital account for extension and betterments was about $250,000 compared with $1,933,000 spent in the previous year when plant expansion was being carried out on a wide scale. Another interesting point in the report is the fact that the company provided sufficient money for the purchase by a trustee of 2,050 shares of capital stock to be held for sale to employees.

Reference is made by G. H. Duggan, president of the company, to details regarding Dominion Hoist and Shovel Co., a subsidiary. The latter is capitalized at 3,000 shares of "A" stock par value $100 of which 1,000 were purchased by Dominion Bridge and 2,000 by Dominion Engineering Works, while 2,000 "B" shares, par value $25 were purchased by American Hoist and Derrick Co. Dominion Bridge has paid the 75 per cent call on its subscription. Attention is also called to the formation of Canadian Pipe and Lining Co. which acquired the patented machinery and processes of the Steel Pipe and Lining Co. (Humes) Ltd. of Australia.

Remarks of President

Mr. Duggan's remarks, in part, follow:

"In the 1930 report reference was made to the Riverside Iron Works having acquired a 60 per cent share interest in this company and to your company having purchased the lots surrounding the Standard Iron Works plant. The plant of this company was destroyed by fire on 16th December, 1930, and, as it had not sufficient funds to re-build, your company acquired the shares belonging to the Riverside Iron Works and others and the lots owned and leased on which the plant had been erected. Your company then erected new buildings adequate for the present operations of both your company in Edmonton and the Standard Iron Works so arranged that they may be extended as the business grows.

"The stocks of raw material and manufacturing supplies have been reduced to the necessities of the present rate of production. They are well assorted and saleable and the inventories have been taken at conservative prices."

Maclaren Plant Operates at 50 p. c.

From Our Own Correspondent

MONTREAL.—Newsprint mill operations of the James Maclaren Co. at Masson, P.Q., are about 50 per cent of capacity. Though the manufacture of paper was only started a short time ago, operations are reported to be on an excellent basis.

The paper mill has installed two 125-ton newsprint machines, the output of which is sold through the St. Lawrence Paper Sales Co.

The paper division forms part of the general scheme of development by the Maclaren interests at Buckingham which include, in addition to paper, sawmills and extensive water power developments, the total cost of which runs into more than $20,000,000.

NIPISSING DEAL RATIFIED BY VOTE

Minority Inform Directors Latter to be Held Responsible for Losses

At the adjourned meeting of Nipissing shareholders it was announced that 508,647 shares had been voted in favor of the proposed deal with Ventures, Ltd., by which a 40 per cent interest was purchased in the Beattie operation. As the votes against the proposal only amounted to 212,587 shares the motion ratifying the deal was passed.

Later T. J. Agar, K.C., counsel for the Hamilton committee headed by Dr. F. R. Bennetto which opposed the deal, stated letters had been forwarded to both Nipissing companies, holding and operating, informing officers and directors that they would be held accountable for any losses that occur in the new venture.

Opposition turned mainly on the argument that drilling results were not a reliable guide in buying into a gold property and also that the company should not have made a loan of $280,000 to Ventures. He suggested a new meeting to inform shareholders more fully as to these matters with a view to avoiding more expensive litigation.

Pool Selling Board Now Has Small Power

From Our Own Correspondent

WINNIPEG. — L. C. Brouillette, president of the Saskatchewan Wheat Pool, has been elected president of the Central Selling Agency of the Wheat Pools. The board of that organization consists of three representatives from each of the provincial wheat pools of Manitoba, Saskatchewan and Alberta. The functions of the board are somewhat nominal, inasmuch as the Central Selling Agency is now handling only the balance of the unsold grain of the 1930 crop, and is not concerned with any grain of 1931 production; and John I. McFarland, who for the past year has been general manager of the Central Selling Agency, holds that appointment upon the understanding that he has complete authority. The present board of directors will have the responsibility of distributing any surplus, should there be any, from the marketing of the 1930 crop, and then of winding up the central selling agency, which is not intended to handle any more grain.

Exchange Computations Simplified by Tables

To offset the difficulties resulting from the fluctuating rate of exchange between New York funds and the Canadian dollar, Jenks, Gwynne & Co. has published a comprehensive booklet "Equivalent Values of Canadian and New York Bond Quotations."

The Canadian equivalent of New York prices is shown on the basis of premium in Canada on New York funds ranging from 1 per cent to 37 per cent at intervals of ¼ per cent. New York prices are given in quarters from 70 to 100; in halves from 50 to 70 and by full points from 10 to 50. The booklet contains 35 pages of tables which are also useful for finding equivalent stock prices.

Canadian Pacific Rly. Forms New Department

From Our Own Correspondent

MONTREAL.—Establishment of a Department of Communication with W. D. Neil as head of it, is announced by the Canadian Pacific Railway. This new department will have supervision over the company's telegraph, telephone and radio broadcasting services. Mr. Neil succeeds John McMillan, who retires from the position of General Manager of the Canadian Pacific Telegraphs.

Two other appointments are announced by the company, namely, T. Fawcett to be General Storekeeper of the railway with headquarters in Montreal, and A. A. Goodchild, who retires as General Storekeeper of the railway's eastern lines.

European Vice-President Canadian National Retires

From Our Own Correspondent

MONTREAL.—Sir Henry W. Thornton, Chairman and President of the Canadian National Railways, announces the retirement of C. J. Smith, European vice-president of the system. The position of European vice-president was abolished at the end of the year, and P. A. Clews, European traffic manager, was named acting European manager in charge of the Canadian National Railways organization on that continent.

'LANTIC SUGAR STOCK SCHEME PUT FORWARD

Approval Would Enable Payment of Dividends

RETIRE MORE BONDS

Trust Deed Restrictions May Prevent Adoption of Toronto Proposal

From Our Own Correspondent

MONTREAL.—A scheme of arrangement has been devised by A. W. Holmestead, K.C., of Holmestead and Sutton, Toronto, for a rearrangement of the capital structure of Atlantic Sugar Co., whereby it will be possible for that company to pay dividends.

Back in 1926 the company created an issue of $3,927,000 of 5 per cent 15 year general mortgage bonds, which were issued to raw sugar creditors in full payment of their claims.

Restrictions on Dividends

Severe restrictions respecting the payment of dividends on capital stock were incorporated in the trust deed on this issue. It was provided that no dividends would be declared or paid on the capital stock until the aggregate amount of indebtedness had been reduced to an outstanding principal amount of $3,000,000; also no dividends could be declared or paid which would affect a reduction in the amount of net quick assets below $750,000. Furthermore, if at any time dividends are declared and paid, a sum equal to the amount of such dividends are to be applied by the company through the sinking fund, toward the redemption and payment of these bonds.

In addition to the general mortgage bonds Atlantic Sugar has outstanding $70,000 of first mortgage bonds, which will mature on July 1 next.

At that time the company will have a funded indebtedness of just under $3,500,000.

Has Improved Status

Since the creation and issue of the general mortgage bonds, the company has steadily improved its financial position and earning power. At the end of 1930 the company had a surplus of $1,159,408 and a net working capital of $1,906,743. Liberal provision had been made for depreciation and contingencies, while assets values had been written down to a conservative level.

Earnings have steadily advanced since 1926, reaching $1,104,721 in 1930. After providing for all prior charges, such as bond interest, bank interest, depreciation, etc., there remained a sum equivalent to $44.83 a share on the preferred stock and $5.33 on the common stock (the latter figure being arrived at without consideration of preferred stock dividend arrears).

No Stock Dividends

Owing to the general mortgage trust deed restrictions it has not been possible to pay any dividends on the outstanding $1,111,100 on the 7 per cent cumulative convertible preferred stock or on the 78,889 shares of no par value common stock.

No dividends have been paid on the preferred stock since 1921, so that the accumulation on January 2, 1932, amounts to 78¾ per cent.

By the workings of the sinking fund the funded debt would not be reduced below the $3,000,000 mark until October 1, 1934. The trust deed stipulates that between 1933 and 1940 inclusive, not less than $400,000 per annum shall be applied to interest and sinking fund.

Puts Forward Proposal

A. W. Holmestead, K.C., now comes forward with a proposal whereby it will be possible to commence payment of dividends on the capital stock by the middle of this year. He proposes to convert the present $100 par value preferred shares into shares of $25 par value, the holder of one share of the old stock being given four shares of the new stock. The new preferred would carry a fixed cumulative dividend of $1.75 accruing from July 1, 1932, and payable quarterly thereafter.

In addition to the fixed dividend, the new preferred stock would be entitled to receive an additional dividend of $1.25 a share per annum, on the basis of equal participation with the common stock up to $1.25 a share.

In this way the holders of the preferred would receive a maximum dividend of $12 a share on the old stock; each new share being entitled to receive a maximum of $3 a share.

May be Obstacle

Before this plan can be put into effect, however, it will be necessary to observe the trust deed restrictions, which provide for the protection of working capital and reducing the funded debt below $3,000,000. In order to accomplish the latter, it would be necessary for the company to retire approximately $621,000 of bonds.

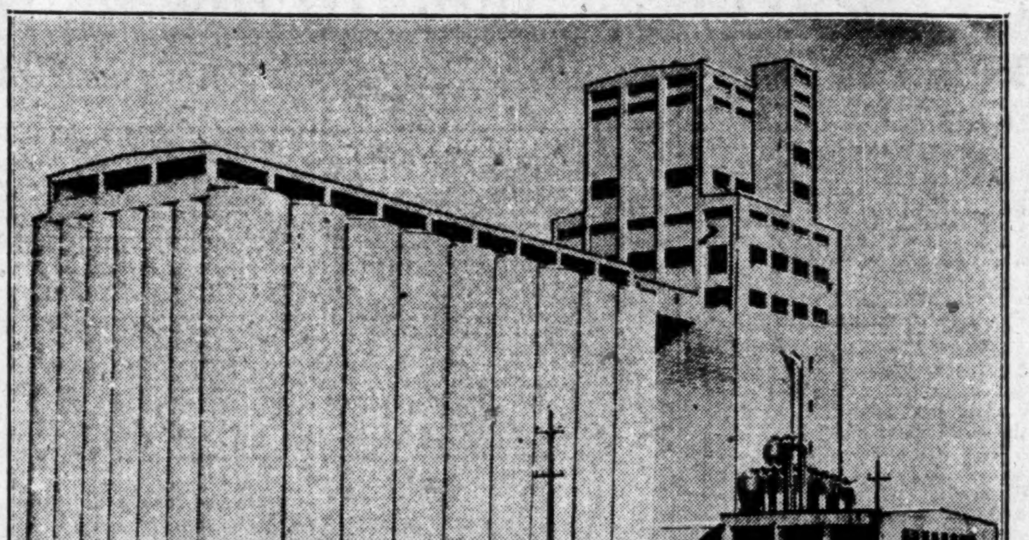
There is some uncertainty as to whether or not the trust deed will permit such action. The directors of the company, who are inclined to favor the proposal, are said to have been assured that such a step is possible under the interpretation of the trust deed, but it is most likely that a ruling will have to be received from the trustee or the courts before this move can be put into effect, always provided that the Holmestead proposal is accepted.

Conferences have been held with the directors and they are reported as having intimated that they are prepared, conditional upon a statement from Mr. Holmestead that a substantial number of preferred shareholders approve thereof, to submit a scheme of arrangement to the shareholders for approval and ratification.

Metal Prices

New York—December 29—
Copper: Electrolytic spot, 7c. lb.
London—December 29—
(Long Ton)—
Copper: Electrolytic spot, £48; future, £48.
Standard spot, £38 15s; future, £39 7s 6d.
Tin: Spot, £141 2s 6d; future, £144 5s.
Lead: Spot, £15 12s 6d; future, £15 10s.
Zinc: Spot, £14 7s 6d; future, £14 15s.
Silver: 20d. per ounce.

Lethbridge Now Grain Handling Centre



Lethbridge takes its place as one of the key grain marketing centres of the west with the completion of the million-dollar interior storage elevator by the federal government, said to be the most modern plant in the government elevator chain. Not only will it facilitate the movement of grain through the Crow's Nest or southern rail route to Vancouver but it will make available a steady supply of high-grade seed wheat for the farmers of the district. Wheat now sent west goes via Calgary. It is expected that this elevator with its million bushel capacity will divert a large volume from the main line through the mountains to the southern route via Cranbrook and Kootenay Landing.

One function of the elevator will be to condition damp and tough grain. This will be an important use to which the Lethbridge plant will be put, especially in seasons when grain is moist when harvested.

Royal Bank of Canada Maintains Liquid Status

Assets Shrink About 7 Per Cent in 1931 — Earning Power Lower — Call Loans in Canada Down — Security Holdings Register Increase

From Our Own Correspondent

MONTREAL.—In common with other Canadian financial institutions, Royal Bank of Canada's statement for the year ended November 30 reveals a shrinkage of assets, drop in earning power but a maintenance of liquid position comparable to that reported in 1930.

On November 30 last assets of the bank totalled $825,702,436 as compared with $889,917,192. This represents a decline of about 7 per cent, which is considered a satisfactory showing in view of the generally heavy decline in value of all products over the past year. The total of liquid assets form slightly more than 48 per cent of all public liabilities, comparing with a ratio of 48.8 per cent in 1930 and 46.9 per cent in 1929.

Earn $12.14 a Share

Earnings of the bank for the past year totalled $5,448,327. This was slightly more than $1,000,000 under that reported for the previous year. After taking care of all prior charges, the balance was equivalent to $12.14 a share on the capital stock, as against $16.09 in the previous year.

Particulars of the income account follow:

	1930 $	1931 $
Profits	5,448,327	6,572,627
Prev. balance	4,106,778	3,574,151
Total	9,555,105	10,146,778
Deduct:		
Dividends	4,200,000	4,200,000
Bonus	......	700,000
Pension fund	200,000	200,000
Bank premises	400,000	400,000
Govt. taxes	600,000	540,000
Forward	4,155,105	4,106,778

Reduce Call Loans

Survey of the balance sheet position of the bank as at November 30 indicates a number of changes arising out of financial and commercial developments over the past year.

Call loans in Canada have been reduced from $57,985,224 in 1930 to $39,137,268 in 1931, a decrease of roughly $19,000,000.

Call and short term loans elsewhere than in Canada have been lowered from $44,326,263 to $37,156,111.

Current loans in Canada have been cut by $19,000,000 odd, or from $311,133,015 to $291,576,220, while current loans outside of Canada have declined from $131,453,174 to $124,581,388.

Savings deposits show a substantial falling off, having declined from $543,843,554 to $476,389,171. On the other hand, it is interesting to note that demand deposits have increased approximately $19,200,000, or from $151,745,505 to $170,913,903.

As in the case of the majority of other banks, the Royal Bank of Canada has increased its advance under the Finance Act. The 1931 statement advances under the act have increased from $10,000,000 to $20,000,000.

GENERAL STATEMENT†
As at November 30

Immediately Available Liquid Resources	1931 $	1930 $
Assets		
Specie	27,530,856	28,721,648
Dominion notes ...	39,169,403	37,939,281
Gold reserve	3,000,000	5,000,000
Due by for. banks .	36,032,467	47,944,436
For. currency	15,842,986	18,694,369
Govt. securities ...	85,473,058	81,119,015
Call loans abroad ..	37,156,112	44,326,263
	244,204,882	263,745,012
Loans and Securities Other Than Those of Canadian Government		
Public secs.	24,641,816	18,764,128
Rly. and other secs.	11,935,405	12,674,517
Can. call loans	39,137,268	57,985,224
Curr. loans in Can.*	291,576,220	311,133,015
Loans abroad	124,581,389	131,453,175
	491,872,098	532,010,059
Due from Other Banks		
Notes of other bks.	3,378,738	3,393,698
Cheques of other bks.	25,329,298	22,555,310
Due by other banks	3,144	2,544
	28,711,180	25,951,552
Other Assets		
Non-curr. loans* ..	3,187,435	2,229,687
Real estate	2,163,752	1,880,198
Mortgages	901,177	1,215,992
Letters of credit ...	28,966,507	38,299,507
Bank premises	17,277,977	16,978,920
Dep. re circ. fund .	1,700,000	1,750,000
Shs. of control. cos.	6,172,799	5,260,317
Sundry assets	544,629	595,948
	60,914,276	68,210,569
	825,702,436	889,917,192
Liabilities		
To the Public		
Circulation	33,237,097	36,730,122
Govt. advances	20,000,000	10,000,000
Deposits by public:		
Demand dept. ...	170,913,904	151,745,506
Svgs. dep. incl. accr. int.	476,389,172	543,843,554
To bks. abroad, etc.:		
Foreign banks ..	16,655,880	28,429,971
Bills payable	3,121,924	3,589,619
Lets. of credit ...	28,966,507	38,299,507
Other liabilities .	367,360	248,333
	749,651,844	812,886,612
To banks in Canada	886,763	1,155,671
To the Shareholders		
Divds. bonus, etc. .	1,058,724	1,768,131
Reserve	35,000,000	35,000,000
Capital	35,000,000	35,000,000
Surplus	4,155,105	4,106,778
	75,213,829	75,874,909
	825,702,436	889,917,192

*After provision for bad and doubtful debts.
†Including Royal Bank of Canada (France).

PRESSED METALS REDUCES DIVIDEND, EXPECTS UPTURN

Greater Production Expected from New Shackle Than All Present Output

Pressed Metals of America, Inc., will make its first dividend payment in 1932 at the rate of 25 cents a share annually on the common stock instead of 50 cents as previously. The quarterly payment will be 6½ cents a share, and even this payment on January 15, 1932, is regarded as an indication of the company's strength as seen against a background of very low activity by all steel companies and by the automobile companies especially.

Working capital has been well maintained during the year just closed, it is understood, and the company has advanced its prospects materially as a result of further testing by automobile companies of the new shackle development by the company which is claimed to have many advantages over other shackles now in use. The ultimate production of this shackle is expected to exceed the present volume of all other products now manufactured by the company.

The shackle has been under test for six months and a definite outlet is understood to be in view for the product. Business in most steel companies at the moment is at low ebb, but improvements are expected in preparation for the spring business. Even at the present level of demand, automobile business must be more active for the first quarter of 1932 in order to be ready for the spring business, and many industrial lines are feeling this seasonal increase in demand.

Anxieties of Pressed Metals as to 1932 volume are rather for the time immediately following the spring demand than for the winter months. If demand then continues, this and other companies will be immensely encouraged. The general expectation of industrialists for fall business will determine the scale of their orders during the late spring and summer months. Most industrialists expect sooner or later a turn in commodity prices and will desire to buy ahead when they think the ripe time has arrived. Many will miss the boat from staying out too long and as a result every month following March will be watched with intense interest by all business men.

Trustee in Bankruptcy Answers Montreal Bureau

Editor, The Financial Post,

I have read the article in your issue of the 19th instant entitled "Bankruptcy Law does not favor creditors' claims."* Feeling that the inference to be drawn from it is not justified by the facts, and is manifestly unfair to those engaged in the administration of estates as trustees in bankruptcy, I desire to enlarge a little upon the subject under consideration.

The writer is evidently dealing with the matter from the standpoint of dividends to unsecured creditors, but does not so state, and the inference is that there is little or no realization from an important percentage of estates handled.

It must be borne in mind that all other creditors rank ahead of unsecured claims, and that these must be satisfied before the unsecured or ordinary creditor may receive a dividend. There may therefore be a very substantial realization and yet the ordinary creditor receive nothing. This is due to the fact that the debtor's assets are often so encumbered that there is no possibility of return to ordinary creditors, and the responsibility for the lack of dividend does not lie with the trustee, but with the creditors who gave credit where there was little or no basis for it.

Claims against bankrupt estates fall into three classes—secured, preferred and ordinary. Real estate is usually mortgaged making the mortgagees secured creditors. Most businesses require banking accommodation, and as security for this, pledge their book accounts, stock-in-trade and possibly other assets. When bankruptcy ensues the ordinary creditor has no claim on the assets so pledged, until these secured creditors' claims are satisfied. The preferred creditors include such claims as taxes, (government and municipal) rent, public utility accounts, wages, Workmen's Compensation Board assessments, etc. These too must be satisfied in full before the ordinary creditor may receive anything.

The legitimate expenses and fee of the trustee also, of necessity, rank ahead of the unsecured creditor.

I have in mind an estate where the realization totalled $162,000, considered by all in touch with it as a satisfactory figure; yet the unsecured creditors received nothing as the secured claims totalled $145,000 and preferred claims for taxes $12,000.

Your article speaks of "wastage in bankruptcy" and quotes the sum of $58,000,000 as being the loss from this source in one year. This would indeed be serious, if true. Let us look at the facts. When a bankruptcy occurs the debtor is required by law to file with the court a sworn statement of his affairs. In this he sets his valuation on his assets, whether they be real estate, factory buildings, machinery and equipment, stock-in-trade or accounts receivable. The debtor is naturally anxious to show as good a statement as possible when facing his creditors, and usually shows these assets at cost, without depreciation and allowance for obsolescence. A copy of this statement is forwarded to the Dominion Statistician at Ottawa and from it statistics are compiled in which the assets shown by the debtor are listed at his valuation, and liabilities in the same manner.

By "wastage in bankruptcy" I assume is intended the difference between the listed value of the assets and the realization of same, the latter figures being taken from the trustee's final statement.

One illustration, perhaps an extreme one, will show how readily a wrong conclusion may be drawn. An estate showed assets of $538,400, all real estate, and liabilities to secured creditors by way of mortgage of $570,000. Every property involved was in the hands of mortgagees before bankruptcy, with no possible equity for unsecured creditors. The bankrupt did not even have an equity in these assets and by forfeiture to mortgagees both the assets and corresponding liabilities would be "washed out," yet this large amount, with many similar cases, is no doubt included in the total of assets under administration and stated to be "wastage in bankruptcy."

No one expects to realize cost for a bankrupt stock of merchandise, for new, seasonable goods can be bought on that basis—yet all the depreciation from these nominal values through realization is most improperly described as "wastage in bankruptcy," and attributed by the writer of your article to incompetency or worse on the part of the trustees handling the estates.

Another feature overlooked by your writer is that in every estate there are one to five inspectors, themselves creditors, and appointed by the creditors, to act with the trustee in the administration. By the terms of the Bankruptcy Act no sale of assets may be made by a trustee without the written approval of the inspectors, which is at least reasonable assurance that when a sale is made the price is the best obtainable in the circumstances.

The statement "every uninvestigated bankruptcy today clears the way for two more tomorrow" has no basis in fact. There has been little variation in recent years in the total number of bankruptcies in Canada, the average number for the past seven years being 2,342, ranging from 2,120 in 1928 to 2,741 in 1930. The total this year is approximately ten per cent less than for 1930.

The trustee handling the largest number of estates in Canada is an association owned, operated and controlled throughout by the creditors themselves—an ideal condition, from a theorist's standpoint; yet I venture to say that their results are not much different from those of any other capable trustee, which indicates that the real reason for unsatisfactory returns to unsecured creditors, where such exist, is to be found, not in the administration of the estate, but in the character and position of the assets to be administered.

If there are incapable trustees, or dishonest trustees, as the article would imply, the remedy is simple, and wholly in the hands of the creditors, for all trustees are elected by their votes.

F. M. MOFFATT.
Toronto,
Dec. 28, 1931.

*Editor's Note: This article was a news summary of a bulletin by the Montreal Better Business Bureau.

POWER OUTLAYS WELL JUSTIFIED SAYS DURLAND

Seventy-two Per Cent of All Canadian Homes Wired

Seventy-two per cent of Canadian homes are wired for electricity making a grand total of 1,436,777 according to a year-end statement covering progress in the electrical industry in Canada during 1931, made this week by D. C. Durland, president of the General Electric Co. of Canada.

Canada also had at the beginning of last year approximately 84,000 electric refrigerators, 210,000 ranges, 1,260,000 irons, 800,000 radio sets, 350,000 vacuum cleaners, 560,000 toasters, 84,000 water heaters, 350,000 washing machines, and 70,000 fans. These appliances alone, says Mr. Durland, consumed during 1930 a total of over 908,000,000 kilowatt-hours. "The rapidity with which households take up new electrical devices is well demonstrated by one appliance—the radio. Although comparatively new, the radio has already graduated from the luxury class. In 1930, 223,228 radio sets were placed in service. These new sets consumed over 19,000,000 kilowatt-hours of electricity."

"There are approximately 2,142,805 homes in Canada, of which 1,436,777 are wired for the use of electricity. 127,700 wired houses were added in 1930. The Red Seal standard of wiring, which provides adequate electric wiring and convenient facilities for the use of all kinds of electric household appliances, is becoming more and more widely adopted.

"Each year power companies are extending their power lines into rural communities, thus making electricity available not only for lighting, but for home appliances and power purposes on the farm. In 1930, farm electric service was extended by 20 per cent, the largest gain in any single year. The domestic use of electricity is constantly increasing at a regular rate of about 14 per cent per annum; there is no slowing-up of progress in the Canadian home.

"Industry continues to take advantage of the economies of electric heat. Electric heat treating furnaces in many plants are contributing factors towards higher quality products at lower costs. One of the interesting installations of last year was an electrically heated drill furnace at a Northern Ontario gold mine. This furnace is installed 3,000 feet underground, and obviates the necessity of bringing the drills to the surface for sharpening.

Power Development Justified

"The large water power developments in Canada are fully justified by present and prospective demand for electric power. Several undertakings now in progress at various points in Canada are of outstanding magnitude. With their completion, during the next two or three years, more than 1,500,000 horsepower will be added to Canada's total, which now stands at approximately 6,750,000 horsepower, turbine capacity. Enormous as this appears, it represents only 15 per cent of the country's total water power resources. 650,000 horsepower was added during the year 1931. Among the leading power producing countries of the world, Canada ranks second in annual output and second in kilowatt-hours per capita.

"The programme of construction on power schemes during the year just past involved an expenditure of approximately $90,000,000. During the next two or three years expenditures for power projects now in hand may reach as much as $300,000,000. Among the larger hydro-electric developments of 1931 were the Seven Sisters Development of the Northwestern Power Co.; the Chute a Caron Development of the Alcoa Power Co.; the Chats Falls Station of the Ottawa Valley Power Co.; the Alexander Station Development of the H. E. P. C. of Ontario; the Slave Falls Station of the City of Winnipeg; and the Corra Linn Development of the West Kootenay Power and Light Company. While some of these projects were completed, many are only initial installations, provision being made for additional generating capacity as demand warrants.

"The large Abitibi Canyon Development of the Ontario Power Service Corporation is an outstanding project under way at the present time. Construction is well advanced and before the end of 1932, this station will be supplying electric power to the mining and other Northern Ontario industries. The huge Beauharnois Development is also well under way, and 1932 will witness 250,000 horsepower being produced at this site."

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DIVIDEND NOTICES

UNITED SECURITIES LIMITED

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, Dec. 23, 1931.

The Canadian Light & Power Company

Notice is hereby given that a dividend of One-half of One per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By Order of the Board.
JAS. WILSON,
Secretary.
Montreal, Dec. 23, 1931.

Highland Dairy, Limited

PREFERENCE DIVIDEND NO 3

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending December 31st, 1931, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on January 2nd, 1932, to shareholders of record on the Register at the close of business on the 26th day of December, 1931.

By order of the Board,
M. MAYNE KENNEDY,
Secretary.
Toronto, Ontario, Dec. 12th, 1931.

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1932, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 17th December, 1931.

English Electric COMPANY of Canada, Ltd.

Dividend Notice

Notice is hereby given that the regular quarterly dividend of Seventy-five cents (75c) on the Class "A" Stock of this Company has been declared for the quarter ending Dec. 31st, 1931, payable Jan. 15th, 1932, to shareholders of record Dec. 31st, 1931.

By order of the Board.
A. MUNDY,
Secretary.
Toronto, Dec. 23rd, 1931.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Stock for the quarter ending on the 31st day of January, 1932, payable on the 1st day of February to Shareholders of record of the 21st day of January, 1932.

Action on the Dividend on the Common Shares was deferred until the results of the operations for 1931 are known.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, December 28, 1931.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending December 31st, 1931, payable January 15th, 1932, to shareholders of record December 31st, 1931.

By order of the Board.
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, November 25th, 1931.

Manitoba Power Co. to Meet N. Y. Payment

From Our Own Correspondent

MONTREAL.—A report has been put into circulation that the Manitoba Power Co. is not going to meet its January interest payments in New York funds and in accordance with the contract of the Trust Deed. This particular point is quite clearly stipulated on pages 7 and 8, section 16, in the Trust Deed and is as follows:

"——both principal and interest to be payable in gold coin of the standard weight and fineness as it existed on the first day of January, 1926, forming legal tender in Canada, at the office of the Bank of Montreal, in the cities of Montreal, Toronto and Winnipeg, or, at the holder's option in gold coin of the United States of America of the standard of weight and fineness as it existed on the first day of January, 1926, at the agency of the Bank of Montreal in the Borough of Manhattan, City of New York,——"

The forthcoming interest payment due on the first mortgage "series A" 5½'s due 1951, amounting to $10,000,000, as well as the "series B," $2,500,000 5½'s, due 1952, which calls for payment in New York as per the above contract, will be paid in a like manner. The semi-annual interest payment calls for $343,750 and the cost of purchasing New York funds would be approximately $80,000 making the total about $423,750.

Canadian National November Net Gains

From Our Own Correspondent

MONTREAL.—An increase in net revenue of $10,066 for November 1931, in comparison with the same month last year, is reported by the Canadian National Railways. Gross revenues for the month of November last were $15,290,993, and operating expenses $13,206,511, leaving a net operating revenue for the month of $2,084,481. During the same month last year, gross revenue totalled $17,169,986 and operating expenses $15,095,570, making a net income of $2,074,415.

For the first eleven months of 1931 gross revenues were $163,862,574, a decrease of $43,180,633, as compared with the same period of 1930. Operating expenses for the 1931 period were $156,370,574, a decrease of $24,894,570, leaving net revenues for eleven months of 1931 of $7,491,999, a decrease of $18,286,063.

DOMINION BRIDGE SHARE EARNINGS $3.23 ON COMMON

Small Deficit Shown After Dividend Payments

STRONG POSITION

Redeems Subsidiaries' Bonds and Increases Stake in Dominion Engineering

From Our Own Correspondent

MONTREAL.—Though net earnings of Dominion Bridge Co. in the fiscal year ended October 31, 1931, were lower than those of the previous year, they fell short of dividends paid on the common stock during the period by only 7 cents a share, or $38,221. On the other hand the company has improved its position by redeeming outstanding bonds of subsidiary companies totalling $1,007,000, increased its investments in government and other bonds by $1,000,000 and has increased its holdings in Dominion Engineering Works by 7,100 shares purchased on the market.

Net earnings in the past fiscal year which include those of Manitoba Bridge and Iron Works for the first time were $2,164,852 compared with $2,383,813 in the previous period. The previous year's description of $400,000 has been increased by $107,035 representing a sum appropriated by Manitoba Bridge from its earnings on account of depreciation, and net profits were $1,657,817 or the equivalent of $3.23 a share on the 513,951 shares of common stock. Common share earnings in the previous year were $3.86 a share.

Shows Small Deficit

During the year dividends totalling $3.30 a share were paid, thus there was a deficit of $38,221 after their disbursement. The balance brought forward into the current year amounted to $4,328,283.

Following is a comparison of profit and loss accounts for the past two years ended October 31:

	1931 $	1930 $
Net earnings	2,164,852	2,383,813
Less: Depreciation	507,035	400,000
Net profit	1,657,817	1,983,813
Less: Dividends	1,696,038	1,812,166
Surplus for year	*38,221	171,647
Add prev. surplus	4,366,504	4,194,857
Balance forward	4,328,283	4,366,504

*Deficit.

Business Shows Contraction

Though profits showed but a moderate recession, business of Dominion Bridge suffered a sharp contraction in the year under review. The value of new work secured was 22.50 per cent less and the output was 32.5 per cent less than in the previous year. The company's Lachine plant accounted for 40 per cent of the total output compared with 32 per cent in the previous year; activity of other plans in relation to total output was as follows: Winnipeg, 21.4 per cent; Vancouver, 16.4 per cent; Toronto, 16 per cent; Calgary, 2.5 per cent and Amherst, 1 per cent. It is pointed out that these percentages do not include operations of Manitoba Bridge despite the fact that its earnings are consolidated with those of Dominion Bridge. Manitoba Bridge operates as an entity and sales and ouput are not included in the above figures.

Working Capital Lower

The balance sheet of Dominion Bridge reveals working capital at October 31, 1931, standing at $7,414,513 compared with $8,804,049 at the end of the previous year. Ratio of current assets to current liabilities, however, has been maintained at slightly better than 5 to 1 compared with 5.68 to 1 at October, 31, 1930.

Current assets total $9,172,923 against $10,684,884 in the previous year. The decline is chiefly accounted for by the drop in outlay on uncompleted contracts, less amounts received on account, which stood at $221,411 as opposed to $1,579,444. Accounts receivable are lower by $432,000 at $983,625 and inventories are down $510,000 at $1,688,797.

Investments Are Higher

Strong cash position is revealed in other assets. Cash totals $1,090,180, a decrease of $648,000, but call loans are higher by $500,000 at $2,950,000. Government and other bonds have been increased by slightly over $1,000,000 to $2,142,576. Reflecting the company's further investment in Dominion Engineering Works, which now totals 77,794 shares or 62 per cent of those issued, investments in and loans to other companies is higher by $289,000 at $2,685,781. Property account, less depreciation reserve of $4,801,658 is carried at $11,188,036, a drop of $163,000.

Reserve accounts are lower by $180,000 at $1,208,895. The drop is due to the fact that the Provincial Government took over employees accident insurance on September 1 making unnecessary the former reserve of $206,740. Of this reserve $160,000 has been used to provide for depreciation in government and other bonds held leaving $27,537 in employees accident insurance reserve.

In current liabilities bank loans for tender deposits are $54,600, an increase of $11,000 while accounts payable are slightly lower at $1,318,346. Dividend payable totals $385,463 compared with $462,555 reflecting the lower rate now in force.

Less Plant Expansion

During the year the net addition to capital account for extension and betterments was about $250,000 compared with $1,933,000 spent in the previous year when plant expansion was being carried out on a wide scale. Another interesting point in the report is the fact that the company provided sufficient money for the purchase by a trustee of 2,050 shares of capital stock to be held for sale to employees.

Reference is made by G. H. Duggan, president of the company, to details regarding Dominion Hoist and Shovel Co., a subsidiary. The latter is capitalized at 3,000 shares of "A" stock par value $100 of which 1,000 were purchased by Dominion Bridge and 2,000 by Dominion Engineering Works, while 2,000 "B" shares, par value $25 were purchased by American Hoist and Derrick Co. Dominion Bridge has paid the 75 per cent call on its subscription. Attention is also called to the formation of Canadian Pipe and Lining Co. which acquired the patented machinery and processes of the Steel Pipe and Lining Co. (Humes) Ltd. of Australia.

Remarks of President

Mr. Duggan's remarks, in part, follow:

"In the 1930 report reference was made to the Riverside Iron Works having acquired a 60 per cent share interest in this company and to your company having purchased the lots surrounding the Standard Iron Works plant. The plant of this company was destroyed by fire on 16th December, 1930, and, as it had not sufficient funds to re-build, your company acquired the shares belonging to the Riverside Iron Works and others and the lots owned and leased on which the plant had been erected. Your company then erected new buildings adequate for the present operations of both your company in Edmonton and the Standard Iron Works so arranged that they may be extended as the business grows.

"The stocks of raw material and manufacturing supplies have been reduced to the necessities of the present rate of production. They are well assorted and saleable and the inventories have been taken at conservative prices."

Maclaren Plant Operates at 50 p. c.

From Our Own Correspondent

MONTREAL.—Newsprint mill operations of the James Maclaren Co. at Masson, P.Q., are about 50 per cent of capacity. Though the manufacture of paper was only started a short time ago, operations are reported to be on an excellent basis.

The paper mill has installed two 125-ton newsprint machines, the output of which is sold through the St. Lawrence Paper Sales Co.

The paper division forms part of the general scheme of development by the Maclaren interests at Buckingham which include, in addition to paper, sawmills and extensive water power developments, the total cost of which runs into more than $20,000,000.

NIPISSING DEAL RATIFIED BY VOTE

Minority Inform Directors Latter to be Held Responsible for Losses

At the adjourned meeting of Nipissing shareholders it was announced that 508,647 shares had been voted in favor of the proposed deal with Ventures, Ltd., by which a 40 per cent interest was purchased in the Beattie operation. As the votes against the proposal only amounted to 212,587 shares the motion ratifying the deal was passed.

Later T. J. Agar, K.C., counsel for the Hamilton committee headed by Dr. F. R. Bennetto which opposed the deal, stated letters had been forwarded to both Nipissing companies, holding and operating, informing officers and directors that they would be held accountable for any losses that occur in the new venture.

Opposition turned mainly on the argument that drilling results were not a reliable guide in buying into a gold property and also that the company should not have made a loan of $280,000 to Ventures. He suggested a new meeting to inform shareholders more fully as to these matters with a view to avoiding more expensive litigation.

Pool Selling Board Now Has Small Power

From Our Own Correspondent

WINNIPEG. — L. C. Brouillette, president of the Saskatchewan Wheat Pool, has been elected president of the Central Selling Agency of the Wheat Pools. The board of that organization consists of three representatives from each of the provincial wheat pools of Manitoba, Saskatchewan and Alberta. The functions of the board are somewhat nominal, inasmuch as the Central Selling Agency is now handling only the balance of the unsold grain of the 1930 crop, and is not concerned with any grain of 1931 production; and John I. McFarland, who for the past year has been general manager of the Central Selling Agency, holds that appointment upon the understanding that he has complete authority. The present board of directors will have the responsibility of distributing any surplus, should there be any, from the marketing of the 1930 crop, and then of winding up the central selling agency, which is not intended to handle any more grain.

Exchange Computations Simplified by Tables

To offset the difficulties resulting from the fluctuating rate of exchange between New York funds and the Canadian dollar, Jenks, Gwynne & Co. has published a comprehensive booklet "Equivalent Values of Canadian and New York Bond Quotations."

The Canadian equivalent of New York prices is shown on the basis of premium in Canada on New York funds ranging from 1 per cent to 37 per cent at intervals of ¼ per cent. New York prices are given in quarters from 70 to 100; in halves from 50 to 70 and by full points from 10 to 50. The booklet contains 35 pages of tables which are also useful for finding equivalent stock prices.

Canadian Pacific Rly. Forms New Department

From Our Own Correspondent

MONTREAL.—Establishment of a Department of Communication with W. D. Neil as head of it, is announced by the Canadian Pacific Railway. This new department will have supervision over the company's telegraph, telephone and radio broadcasting services. Mr. Neil succeeds John McMillan, who retires from the position of General Manager of the Canadian Pacific Telegraphs.

Two other appointments are announced by the company, namely, T. Fawcett to be General Storekeeper of the railway with headquarters in Montreal, and A. A. Goodchild, who retires as General Storekeeper of the railway's eastern lines.

European Vice-President Canadian National Retires

From Our Own Correspondent

MONTREAL.—Sir Henry W. Thornton, Chairman and President of the Canadian National Railways, announces the retirement of C. J. Smith, European vice-president of the system. The position of European vice-president was abolished at the end of the year, and P. A. Clews, European traffic manager, was named acting European manager in charge of the Canadian National Railways organization on that continent.

'LANTIC SUGAR STOCK SCHEME PUT FORWARD

Approval Would Enable Payment of Dividends

RETIRE MORE BONDS

Trust Deed Restrictions May Prevent Adoption of Toronto Proposal

From Our Own Correspondent

MONTREAL.—A scheme of arrangement has been devised by A. W. Holmestead, K.C., of Holmestead and Sutton, Toronto, for a rearrangement of the capital structure of Atlantic Sugar Co., whereby it will be possible for that company to pay dividends.

Back in 1926 the company created an issue of $3,927,000 of 5 per cent 15 year general mortgage bonds, which were issued to raw sugar creditors in full payment of their claims.

Restrictions on Dividends

Severe restrictions respecting the payment of dividends on capital stock were incorporated in the trust deed on this issue. It was provided that no dividends would be declared or paid on the capital stock until the aggregate amount of indebtedness had been reduced to an outstanding principal amount of $3,000,000; also no dividends could be declared or paid which would affect a reduction in the amount of net quick assets below $750,000. Furthermore, if at any time dividends are declared and paid, a sum equal to the amount of such dividends are to be applied by the company through the sinking fund, toward the redemption and payment of these bonds.

In addition to the general mortgage bonds Atlantic Sugar has outstanding $70,000 of first mortgage bonds, which will mature on July 1 next.

At that time the company will have a funded indebtedness of just under $3,500,000.

Has Improved Status

Since the creation and issue of the general mortgage bonds, the company has steadily improved its financial position and earning power. At the end of 1930 the company had a surplus of $1,159,408 and a net working capital of $1,906,743. Liberal provision had been made for depreciation and contingencies, while assets values had been written down to a conservative level.

Earnings have steadily advanced since 1926, reaching $1,104,721 in 1930. After providing for all prior charges, such as bond interest, bank interest, depreciation, etc., there remained a sum equivalent to $44.83 a share on the preferred stock and $5.33 on the common stock (the latter figure being arrived at without consideration of preferred stock dividend arrears).

No Stock Dividends

Owing to the general mortgage trust deed restrictions it has not been possible to pay any dividends on the outstanding $1,111,100 on the 7 per cent cumulative convertible preferred stock or on the 78,889 shares of no par value common stock.

No dividends have been paid on the preferred stock since 1921, so that the accumulation on January 2, 1932, amounts to 78¾ per cent.

By the workings of the sinking fund the funded debt would not be reduced below the $3,000,000 mark until October 1, 1934. The trust deed stipulates that between 1933 and 1940 inclusive, not less than $400,000 per annum shall be applied to interest and sinking fund.

Puts Forward Proposal

A. W. Holmestead, K.C., now comes forward with a proposal whereby it will be possible to commence payment of dividends on the capital stock by the middle of this year. He proposes to convert the present $100 par value preferred shares into shares of $25 par value, the holder of one share of the old stock being given four shares of the new stock. The new preferred would carry a fixed cumulative dividend of $1.75 accruing from July 1, 1932, and payable quarterly thereafter.

In addition to the fixed dividend, the new preferred stock would be entitled to receive an additional dividend of $1.25 a share per annum, on the basis of equal participation with the common stock up to $1.25 a share.

In this way the holders of the preferred would receive a maximum dividend of $12 a share on the old stock; each new share being entitled to receive a maximum of $3 a share.

May be Obstacle

Before this plan can be put into effect, however, it will be necessary to observe the trust deed restrictions, which provide for the protection of working capital and reducing the funded debt below $3,000,000. In order to accomplish the latter, it would be necessary for the company to retire approximately $621,000 of bonds.

There is some uncertainty as to whether or not the trust deed will permit such action. The directors of the company, who are inclined to favor the proposal, are said to have been assured that such a step is possible under the interpretation of the trust deed, but it is most likely that a ruling will have to be received from the trustee or the courts before this move can be put into effect, always provided that the Holmestead proposal is accepted.

Conferences have been held with the directors and they are reported as having intimated that they are prepared, conditional upon a statement from Mr. Holmestead that a substantial number of preferred shareholders approve thereof, to submit a scheme of arrangement to the shareholders for approval and ratification.

Metal Prices

New York—December 29—
Copper: Electrolytic spot, 7c. lb.
London—December 29—
(Long Ton)—
Copper: Electrolytic spot, £48; future, £48.
Standard spot, £38 15s; future, £39 7s 6d.
Tin: Spot, £141 2s 6d; future, £144 5s.
Lead: Spot, £15 12s 6d; future, £15 10s.
Zinc: Spot, £14 7s 6d; future, £14 15s.
Silver: 20d. per ounce.

Lethbridge Now Grain Handling Centre

Lethbridge takes its place as one of the key grain marketing centres of the west with the completion of the million-dollar interior storage elevator by the federal government, said to be the most modern plant in the government elevator chain. Not only will it facilitate the movement of grain through the Crow's Nest or southern rail route to Vancouver but it will make available a steady supply of high-grade seed wheat for the farmers of the district. Wheat now sent west goes via Calgary. It is expected that this elevator with its million bushel capacity will divert a large volume from the main line through the mountains to the southern route via Cranbrook and Kootenay Landing.

One function of the elevator will be to condition damp and tough grain. This will be an important use to which the Lethbridge plant will be put, especially in seasons when grain is moist when harvested.

Royal Bank of Canada Maintains Liquid Status

Assets Shrink About 7 Per Cent in 1931 — Earning Power Lower — Call Loans in Canada Down — Security Holdings Register Increase

From Our Own Correspondent

MONTREAL.—In common with other Canadian financial institutions, Royal Bank of Canada's statement for the year ended November 30 reveals a shrinkage of assets, drop in earning power but a maintenance of liquid position comparable to that reported in 1930.

On November 30 last assets of the bank totalled $825,702,436 as compared with $889,917,192. This represents a decline of about 7 per cent, which is considered a satisfactory showing in view of the generally heavy decline in value of all products over the past year. The total of liquid assets form slightly more than 48 per cent of all public liabilities, comparing with a ratio of 48.8 per cent in 1930 and 46.9 per cent in 1929.

Earn $12.14 a Share

Earnings of the bank for the past year totalled $5,448,327. This was slightly more than $1,000,000 under that reported for the previous year. After taking care of all prior charges, the balance was equivalent to $12.14 a share on the capital stock, as against $16.09 in the previous year.

Particulars of the income account follow:

	1930 $	1931 $
Profits	5,448,327	6,572,627
Prev. balance	4,106,778	3,574,151
Total	9,555,105	10,146,778
Deduct:		
Dividends	4,200,000	4,200,000
Bonus	......	700,000
Pension fund	200,000	200,000
Bank premises	400,000	400,000
Govt. taxes	600,000	540,000
Forward	4,155,105	4,106,778

Reduce Call Loans

Survey of the balance sheet position of the bank as at November 30 indicates a number of changes arising out of financial and commercial developments over the past year.

Call loans in Canada have been reduced from $57,985,224 in 1930 to $39,137,268 in 1931, a decrease of roughly $19,000,000.

Call and short term loans elsewhere than in Canada have been lowered from $44,326,263 to $37,156,111.

Current loans in Canada have been cut by $19,000,000 odd, or from $311,133,015 to $291,576,220, while current loans outside of Canada have declined from $131,453,174 to $124,581,388.

Savings deposits show a substantial falling off, having declined from $543,843,554 to $476,389,171. On the other hand, it is interesting to note that demand deposits have increased approximately $19,200,000, or from $151,745,505 to $170,913,903.

As in the case of the majority of other banks, the Royal Bank of Canada has increased its advance under the Finance Act. The 1931 statement advances under the act have increased from $10,000,000 to $20,000,000.

GENERAL STATEMENT†
As at November 30
Immediately Available Liquid Resources

Assets	1931 $	1930 $
Specie	27,530,856	28,721,648
Dominion notes	39,169,403	37,939,281
Gold reserve	3,000,000	5,000,000
Due by for. banks	36,032,467	47,944,436
For. currency	15,842,986	18,694,369
Govt. securities	85,473,058	81,119,015
Call loans abroad	37,156,112	44,326,263
	244,204,882	263,745,012
Loans and Securities Other Than Those of Canadian Government		
Public secs.	24,641,816	18,764,128
Rly. and other secs.	11,935,405	12,674,517
Can. call loans	39,137,268	57,985,224
Curr. loans in Can.*	291,576,220	311,133,015
Loans abroad	124,581,389	131,453,175
	491,872,098	532,010,059
Due from Other Banks		
Notes of other bks.	3,378,738	3,393,698
Cheques of other bks.	25,329,298	22,555,310
Due by other banks	3,144	2,544
	28,711,180	25,951,552
Other Assets		
Non-curr. loans*	3,187,435	2,229,687
Real estate	2,163,752	1,880,198
Mortgages	901,177	1,215,992
Letters of credit	28,966,507	38,299,507
Bank premises	17,277,977	16,978,920
Dep. re circ. fund	1,700,000	1,750,000
Shs. of control. cos.	6,172,799	5,260,317
Sundry assets	544,629	595,948
	60,914,276	68,210,569
	825,702,436	889,917,192
Liabilities		
To the Public		
Circulation	33,237,097	36,730,122
Govt. advances	20,000,000	10,000,000
Deposits by public:		
Demand dept.	170,913,904	151,745,506
Svgs. dep. incl. accr. int.	476,389,172	543,843,554
To bks. abroad, etc.:		
Foreign banks	16,655,880	28,429,971
Bills payable	3,121,924	3,589,619
Lets. of credit	28,966,507	38,299,507
Other liabilities	367,360	248,333
	749,651,844	812,886,612
To banks in Canada	886,763	1,155,671
To the Shareholders		
Divds. bonus, etc.	1,058,724	1,768,131
Reserve	35,000,000	35,000,000
Capital	35,000,000	35,000,000
Surplus	4,155,105	4,106,778
	75,213,829	75,874,909
	825,702,436	889,917,192

*After provision for bad and doubtful debts.

†Including Royal Bank of Canada (France).

Trustee in Bankruptcy Answers Montreal Bureau

Editor, The Financial Post,

I have read the article in your issue of the 19th instant entitled "Bankruptcy Law does not favor creditors' claims."* Feeling that the inference to be drawn from it is not justified by the facts, and is manifestly unfair to those engaged in the administration of estates as trustees in bankruptcy, I desire to enlarge a little upon the subject under consideration.

The writer is evidently dealing with the matter from the standpoint of dividends to unsecured creditors, but does not so state, and the inference is that there is little or no realization from an important percentage of estates handled.

It must be borne in mind that all other creditors rank ahead of unsecured claims, and that these must be satisfied before the unsecured or ordinary creditor may receive a dividend. There may therefore be a very substantial realization and yet the ordinary creditor receive nothing. This is due to the fact that the debtor's assets are often so encumbered that there is no possibility of return to ordinary creditors, and the responsibility for the lack of dividend does not lie with the trustee, but with the creditors who gave credit where there was little or no basis for it.

Claims against bankrupt estates fall into three classes—secured, preferred and ordinary. Real estate is usually mortgaged making the mortgagees secured creditors. Most businesses require banking accommodation, and as security for this, pledge their book accounts, stock-in-trade and possibly other assets. When bankruptcy ensues the ordinary creditor has no claim on the assets so pledged, until these secured creditors' claims are satisfied. The preferred creditors include such claims as taxes, (government and municipal) rent, public utility accounts, wages, Workmen's Compensation Board assessments, etc. These too must be satisfied in full before the ordinary creditor may receive anything.

The legitimate expenses and fee of the trustee also, of necessity, rank ahead of the unsecured creditor.

I have in mind an estate where the realization totalled $162,000, considered by all in touch with it as a satisfactory figure; yet the unsecured creditors received nothing as the secured claims totalled $145,000 and preferred claims for taxes $12,000.

Your article speaks of "wastage in bankruptcy" and quotes the sum of $58,000,000 as being the loss from this source in one year. This would indeed be serious, if true. Let us look at the facts. When a bankruptcy occurs the debtor is required by law to file with the court a sworn statement of his affairs. In this he sets his valuation on his assets, whether they be real estate, factory buildings, machinery and equipment, stock-in-trade or accounts receivable. The debtor is naturally anxious to show as good a statement as possible when facing his creditors, and usually shows these assets at cost, without depreciation and allowance for obsolescence. A copy of this statement is forwarded to the Dominion Statistician at Ottawa and from it statistics are compiled in which the assets shown by the debtor are listed at his valuation, and liabilities in the same manner.

By "wastage in bankruptcy" I assume is intended the difference between the listed value of the assets and the realization of same, the latter figures being taken from the trustee's final statement.

One illustration, perhaps an extreme one, will show how readily a wrong conclusion may be drawn. An estate showed assets of $538,400, all real estate, and liabilities to secured creditors by way of mortgage of $570,000. Every property involved was in the hands of mortgagees before bankruptcy, with no possible equity for unsecured creditors. The bankrupt did not even have an equity in these assets and by forfeiture to mortgagees both the assets and corresponding liabilities would be "washed out," yet this large amount, with many similar cases, is no doubt included in the total of assets under administration and stated to be "wastage in bankruptcy."

No one expects to realize cost for a bankrupt stock of merchandise, for new, seasonable goods can be bought on that basis—yet all the depreciation from these nominal values through realization is most improperly described as "wastage in bankruptcy," and attributed by the writer of your article to incompetency or worse on the part of the trustees handling the estates.

Another feature overlooked by your writer is that in every estate there are one to five inspectors, themselves creditors, and appointed by the creditors, to act with the trustee in the administration. By the terms of the Bankruptcy Act no sale of assets may be made by a trustee without the written approval of the inspectors, which is at least reasonable assurance that when a sale is made the price is the best obtainable in the circumstances.

The statement "every uninvestigated bankruptcy today clears the way for two more tomorrow" has no basis in fact. There has been little variation in recent years in the total number of bankruptcies in Canada, the average number for the past seven years being 2,342, ranging from 2,120 in 1928 to 2,741 in 1930. The total this year is approximately ten per cent less than for 1930.

The trustee handling the largest number of estates in Canada is an association owned, operated and controlled throughout by the creditors themselves—an ideal condition, from a theorist's standpoint; yet I venture to say that their results are not much different from those of any other capable trustee, which indicates that the real reason for unsatisfactory returns to unsecured creditors, where such exist, is to be found, not in the administration of the estate, but in the character and position of the assets to be administered.

If there are incapable trustees, or dishonest trustees, as the article would imply, the remedy is simple, and wholly in the hands of the creditors, for all trustees are elected by their votes.

F. M. MOFFATT.

Toronto,
Dec. 28, 1931.

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*Editor's Note: This article was a news summary of a bulletin by the Montreal Better Business Bureau.

PRESSED METALS REDUCES DIVIDEND, EXPECTS UPTURN

Greater Production Expected from New Shackle Than All Present Output

Pressed Metals of America, Inc., will make its first dividend payment in 1932 at the rate of 25 cents a share annually on the common stock instead of 50 cents as previously. The quarterly payment will be 6¼ cents a share, and even this payment on January 15, 1932, is regarded as an indication of the company's strength as seen against a background of very low activity by all steel companies and by the automobile companies especially.

Working capital has been well maintained during the year just closed, it is understood, and the company has advanced its prospects materially as a result of further testing by automobile companies of the new shackle development by the company which is claimed to have many advantages over other shackles now in use. The ultimate production of this shackle is expected to exceed the present volume of all other products now manufactured by the company.

The shackle has been under test for six months and a definite outlet is understood to be in view for the product. Business in most steel companies at the moment is at low ebb, but improvements are expected in preparation for the spring business. Even at the present level of demand, automobile business must be more active for the first quarter of 1932 in order to be ready for the spring business, and many industrial lines are feeling this seasonal increase in demand.

Anxieties of Pressed Metals as to 1932 volume are rather for the time immediately following the spring demand than for the winter months. If demand then continues, this and other companies will be immensely encouraged. The general expectation of industrialists for fall business will determine the scale of their orders during the late spring and summer months. Most industrialists expect sooner or later a turn in commodity prices and will desire to buy ahead when they think the ripe time has arrived. Many will miss the boat from staying out too long and as a result every month following March will be watched with intense interest by all business men.

POWER OUTLAYS WELL JUSTIFIED SAYS DURLAND

Seventy-two Per Cent of All Canadian Homes Wired

Seventy-two per cent of Canadian homes are wired for electricity making a grand total of 1,436,777 according to a year-end statement covering progress in the electrical industry in Canada during 1931, made this week by D. C. Durland, president of the General Electric Co. of Canada.

Canada also had at the beginning of last year approximately 84,000 electric refrigerators, 210,000 ranges, 1,260,000 irons, 800,000 radio sets, 350,000 vacuum cleaners, 560,000 toasters, 84,000 water heaters, 350,000 washing machines, and 70,000 fans. These appliances alone, says Mr. Durland, consumed during 1930 a total of over 908,000,000 kilowatt-hours. "The rapidity with which households take up new electrical devices is well demonstrated by one appliance—the radio. Although comparatively new, the radio has already graduated from the luxury class. In 1930, 223,228 radio sets were placed in service. These new sets consumed over 19,000,000 kilowatt-hours of electricity."

"There are approximately 2,142,805 homes in Canada, of which 1,436,777 are wired for the use of electricity. 127,700 wired houses were added in 1930. The Red Seal standard of wiring, which provides adequate electric wiring and convenient facilities for the use of all kinds of electric household appliances, is becoming more and more widely adopted.

"Each year power companies are extending their power lines into rural communities, thus making electricity available not only for lighting, but for home appliances and power purposes on the farm. In 1930, farm electric service was extended by 20 per cent, the largest gain in any single year. The domestic use of electricity is constantly increasing at a regular rate of about 14 per cent per annum; there is no slowing-up of progress in the Canadian home.

"Industry continues to take advantage of the economies of electric heat. Electric heat treating furnaces in many plants are contributing factors towards higher quality products at lower costs. One of the interesting installations of last year was an electrically heated drill furnace at a Northern Ontario gold mine. This furnace is installed 3,000 feet underground, and obviates the necessity of bringing the drills to the surface for sharpening.

Power Development Justified

"The large water power developments in Canada are fully justified by present and prospective demand for electric power. Several undertakings now in progress at various points in Canada are of outstanding magnitude. With their completion, during the next two or three years, more than 1,500,000 horsepower will be added to Canada's total, which now stands at approximately 6,750,000 horsepower, turbine capacity. Enormous as this appears, it represents only 15 per cent of the country's total water power resources. 650,000 horsepower was added during the year 1931. Among the leading power producing countries of the world, Canada ranks second in annual output and second in kilowatt-hours per capita.

"The programme of construction on power schemes during the year just past involved an expenditure of approximately $90,000,000. During the next two or three years expenditures for power projects now in hand may reach as much as $300,000,000. Among the larger hydro-electric developments of 1931 were the Seven Sisters Development of the Northwestern Power Co.; the Chute a Caron Development of the Alcoa Power Co.; the Chats Falls Station of the Ottawa Valley Power Co.; the Alexander Station Development of the H. E. P. C. of Ontario; the Slave Falls Station of the City of Winnipeg; and the Corra Linn Development of the West Kootenay Power and Light Company. While some of these projects were completed, many are only initial installations, provision being made for additional generating capacity as demand warrants.

"The large Abitibi Canyon Development of the Ontario Power Service Corporation is an outstanding project under way at the present time. Construction is well advanced and before the end of 1932, this station will be supplying electric power to the mining and other Northern Ontario industries. The huge Beauharnois Development is also well under way, and 1932 will witness 250,000 horsepower being produced at this site."

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Extraordinary Year Begins for Investor

Almost Anything May Happen in International Sphere—Bound to Effect Materially Value of Investments—Sound Investment Policies Never More Necessary

The course of elementary articles on finance for the benefit of new investors is interrupted this week to point out that this new year, 1932, promises to be extraordinarily interesting to the investor in that the effect of various international influences and national political policies on the values of securities will be made even more markedly apparent than in 1930 and 1931. There is the possibility that changes bound to occur will give the investor better opportunities than at any time since October, 1929.

As statesmen and international financiers are slowly and painfully trying to find their way to a solution of awkward problems which have developed in the last two or three years, and as they themselves cannot be sure what will come out of the countless conferences and continual bargaining as to reparations, long and short term credits, trade agreements and exchange fluctuations, however, no one can be sure of what will eventuate. One can only scan the various plans, proposals, policies, acts or threats of war as they come up, form his conclusions as to what should be and wait with interest for what will actually come to pass. They will all for good or evil affect the value of investments.

In the meantime the best investment policy is to buy carefully securities well protected by earnings and assets, and issued by a company engaged in a necessary and permanent industry which is not disorganized by necessitous competition and which has the trend of events with it. For example, one should study carefully before putting good money into securities of any railroad or tramways company until the full effect of competition from trucks, buses and automobiles can be measured or the companies in question have made a successful adjustment which puts them in line with the advancing use of automotive transportation. There are a number of companies which have been using the time of depression to strengthen their personnel, modernize to the last degree their plants, adjust their expenses to the market demands and foster their financial strength so that they will be in a position to take immediate advantage of reviving business when at last it starts unmistakeably on the upward journey again. Watch them.

Imperial and Brazilian

I have 350 shares of Nickel, bought at 44; 400 shares of Imperial Oil, bought at 20, and 400 shares of Brazilian, bought at 19.

I first bought these stocks in 1929 at the high but have continued buying and have averaged them down to these prices.

I am getting timid of Nickel and would you advise switching over to Imperial Oil or Brazilian?

Imperial Oil Co. continues to be the leading company in the oil business in Canada just as it was in 1929 when you purchased the stock. Consumption of its product is apt to increase from year to year, especially in times of business activity. The extending use of motor cars, the probability of more airplanes with every month in the next decade, and the turnover of many vessels on lake and sea to oil burning, is all in favor of companies in the oil industry.

On the other hand, there is a severe over-production of crude oil, especially in the United States, an over-production so considerable that drastic curtailment programmes have not yet been able to make great way against it. There have been in the United States, even among the strongest companies during 1931, almost insolvency conditions. Tariff protection is all that prevents a similar situation in Canada.

Imperial Oil gets about 60 per cent of the profit used in paying dividends from operations outside Canada, and especially from net profits made by International Petroleum which gets crude oil from its wells in Peru and Columbia. The world-wide situation with reference to crude oil cannot but be of importance to a company like International Petroleum and through it to Imperial Oil. It is believed that increasing consumption will eventually enable the crude oil over-production to be brought within reasonable limits. No one can say, in the meantime, just how far-reaching will be the effect. Those who have held Imperial Oil stock from the beginning and taken advantage of offers of rights have profited greatly.

Brazilian Traction reports earnings month by month from Brazil which indicate that it is maintaining its position there in good style in spite of the very severe business depression. The chief drawback to this stock from the standpoint of Canadians is the way in which the milreis has been fluctuating. If Brazilian exchange improves, it will be very much to the advantage of shareholders of Brazilian Traction, but that is a necessary preliminary to a feeling of confidence in the stock, as milreis have to be changed into Canadian dollars before dividends can be paid.

A Broker's Charges

We recently had occasion to question a brokerage transaction and would appreciate very much having your advice in the matter.

The case in question is an estate that held quite a number of Canadian securities, on a very well margined account, along with which were two or three American stocks. These were all purchased back in 1928 or 1929. We recently asked the brokers to forward definite certificates covering all stocks carried by them.

In the case of American stocks they charged the estate an 18 per cent premium on the full value of the stocks, on the day in which the account was closed out. The stocks were probably first bought on a 50 per cent margin basis, but during the last year, they were really over margined with other collateral.

We argued with them, they had no right to charge us any premium on these American certificates, as we always understood, theoretically, if not in fact, that the broker had to have in his possession, certificates for every stock he bought on our account, and that accordingly he should have had these American stocks in his possession long before Canadian funds were at discount, and that if he chose to borrow from American sources for marginal requirements, that it was not his customer's funeral if these borrowings now cost him an 18 per cent premium when paid off. On the other hand, we said that if he was by any chance justified in his claim, which we can't agree that he was, that at the most, he could only demand a premium on the marginal balance outstanding and not the full amount of the stock itself.

The broker would be within his rights in charging an 18 per cent premium on the unpaid balance owing on the stock as he would have to pay that much for American money the same as anybody else in Canada. There must have been some mistake by the broker, however, if an 18 per cent premium was charged on the full value.

We are concerned here only with the custom of the trade and other letters received indicate that quite generally this has been the attitude taken by brokers to their clients where they have borrowed in the United States. As a rule the client has been notified that the securities are placed in the United States. As to the legal aspect of the question, we are not lawyers and are, therefore, not competent to decide whether there is ground for your claim that the broker should stand any losses arising from his borrowing in New York and having to put up more money. We do agree, however, that he should only demand a premium on the marginal balance outstanding, not on the full amount of the stock. The premium would be charged on the full amount of the stock only if the stock had been bought on order in New York City since the exchange disparity developed between the Canadian and United States dollar. As he buys for you on commission the broker also negotiates loan to help you hold stock on margin as part of the service. If the exchange had gone the other way, increasing your equity automatically, the broker could have charged you less than you had expected instead of more.

Steel of Canada

I have considered purchasing some of the preferred shares of Steel Co. of Canada. Is this stock fairly sound and what are the prospects for future appreciation? Does the stock have a participating feature?

The steel industry both in Canada and the United States is in the doldrums. Steel Co. of Canada has not passed unscathed and earnings in 1931 are expected to fall below those of the previous year. In 1930, net profit, before taking the participating feature into consideration was $6.70 a share on the preferred; to date there has been no indication as to what will be reported for 1931. In viewing the stock from an investment angle, it should be remembered that the company has built up a strong financial position and, from an industrial point of view, is regarded as the leader in its particular field. Dividends on the preferred have been maintained without interruption since 1915, a dividend of seven per cent on the common has been paid since 1919 and surplus has been steadily increased until at the end of 1930, it totalled $14,502,444. Preferred dividend requirements each year amount to $454,741.

The preferred stock is entitled to share in any disbursement made on the common stock over and above the present payment of seven per cent. While this offers possibilities to the preferred stock, it should be remembered that a decision of the Privy Council in 1930 laid down that the preferred shares could not participate until dividends were paid on the ordinary shares equal per share to those previously paid on the preference. This decision renders the company liable to arrears of dividends of approximately $5,000,000 on the common stock before there can be any increase on the preferred over seven per cent.

Canada Steamship

Why are the bonds of Canada Steamship Lines selling at a low level? I have been looking over the balance sheet and it would appear that they are well secured by large assets. Which ranks first, the debenture stock or the general mortgage bonds? Would the preferred and common be worthless if the bonds went into default? What denominations are the bonds issued in?

The present low price level of Canada Steamship bonds may be attributed to several factors which primarily include reduced earnings of the company and a general weakness in the bond market. Though the equity of a consolidated mortgage bond and a general mortgage bond was $13,055 and $2,015 respectively at the end of 1930, bond prices are not valued on equity alone. Earning power is of importance, as you know, earnings in 1930 fell short of total bond interest needs after depreciation, all interest was earned .63 times on this basis last year.

The debenture stock ranks ahead of the general mortgage bonds but it should be remembered that Canada Steamships guarantees $1,500,000 of a subsidiary company, Kingston Elevator Co. bonds. Actually the debenture stock is secured by specific mortgages on the company's property and on shares of subsidiary companies, while the general mortgage bonds constitute a first mortgage on certain properties acquired more recently and a second mortgage on property already covered under the trust deed of the debenture stock.

The preferred and common shares would not necessarily be worthless if the bonds went into default. Earnings might sink to such a low level that interest would have to be passed but the assets behind the bonds might be unimpaired. A reorganization might be effected which would allow some compensation to junior security holders. Any such plan, however, would depend on what action the bondholders took after default.

There is $2,968,008 of debenture stock issued in denominations of $1,000, $500 and $100, or £200, £100, and £20. General mortgage bonds were outstanding at the end of 1930 to the extent of $17,773,500 issued in denominations of $1,000 and $500.

Shawinigan

Is Shawinigan doing well this year? I have thought of buying some of the stock but do not want to do so unless the dividend is absolutely safe.

Earnings of Shawinigan Water and Power have been adversely affected by restricted industrial activity in the territory it serves. The dividend has been reduced already this year, and in view of general conditions there can be no definite assurance that the present rate will be continued.

Pegged Prices

Would you be good enough to explain to me what is meant by pegged prices? I hear a lot about this but do not quite understand the situation.

When Great Britain went off the gold standard, and there was a danger that the stock market might become demoralized, both the Toronto and Montreal Stock Exchanges placed a rule in effect whereby all trading in listed stocks was to be undertaken at prices at or above the level recorded at the close of business on that day. In this way they sought to prevent a needless decline in share values which might be occasioned through a panicky stock market. Since that time all interlisted shares, that is shares listed both in Montreal and New York, have been absolved from this trading restriction, while the ban has also been lifted on various other actively traded securities.

H. Simon and Sons

Can you inform me as to what progress H. Simon and Sons has made this year? I have wondered whether the dividend on the common stock could be regarded as fairly safe even though earnings are lower than last year.

Consumption of cigars in Canada this year has dropped well below the level of 1930, a factor which has affected H. Simon & Sons, one of the larger manufacturers of higher priced cigars. In 1930 the company succeeded in covering its common dividend requirements by a narrow margin; results for the current year are largely dependent on Christmas trade. As yet, there are no definite indications of just how this business will shape up.

Dominion Bridge

As a holder of some shares of Dominion Bridge Co. I am particularly interested in the progress of the company. Would you be good enough to give me some idea of earnings last year, the outlook for the stock and dividend prospects?

The financial statement of Dominion Bridge Co. will be available shortly, and will reveal to what extent the company has been affected by the decline in constructional activity during its fiscal year ended October 31, 1931. The company, as you know, is the largest producer of structural steel in Canada and has in recent years extended its plant activity on a wide scale. The expansion undertaken, however, was considerable, and it may be that earnings last year will not reflect fully the large outlay made in cash and stock on account of plant expansion. An improvement in business and building activity should aid Dominion Bridge, but indications are that large capital expenditures on structural steel work will be deferred until there is a definite upturn. Whether the company will earn the dividends paid last year remains to be seen; unless conditions improve, there can be no assurance that the present rate will be continued. The last financial statement showed a strong financial position, which should help it materially in tiding over the present slack period.

Asbestos Corp.

What is the position of Asbestos Corp.? I hold some of the first and refunding mortgage bonds but have not kept in touch with the company's affairs as I have been stationed abroad for some years.

Asbestos Corporation has been in financial straits for the past two years, and interest on the first and refunding mortgage bonds was defaulted on January 1, 1931. Prior to this interest on an issue of General Mortgage bonds had been passed on July 1, 1930, though the company still maintains payments on an underlying five per cent issue of first mortgage bonds. Difficulties of Asbestos Corporation which accounts for the greater proportion of asbestos produced in Canada, are largely due to a change in the world asbestos situation. Competition from Russia and Rhodesia has become exceptionally keen and prices have declined to a low level. Sales also have shown a marked decline in the past two years.

A change in management of the company occurred in May, 1929, and some drastic changes in operating policies and accounting followed. Substantial write-offs on account of obsolete plant and development work were made; in short, the new management set the company's house in order though it entailed the charging off of over $2,500,000.

At the present time a reorganization of capital structure is planned. No details have been officially announced, though it is our understanding that discussions have been under way. Indications are that first mortgage bondholders may be given an income bond in exchange for their holdings together with common stocks. Some such policy is inevitable as the capital structure under present conditions is far out of line with the earning power of the company. Details may be expected to be released shortly.

Deposited $60,000

Please advise me whether (1) The Investors Syndicate, Minneapolis, U.S.A., is required by law to keep invested in Canada a sufficient portion of its assets to provide protection for Canadian investors and (2) whether you consider that company sound and safe to invest with.

As you live in Alberta, you are most interested in the situation there. We are informed by the Investors' Syndicate Ltd. in Toronto that the Investors' Syndicate of Minneapolis has about $60,000 deposited with the Provincial Treasurer of Alberta to cover the company's liability to investors in that province. We are informed, moreover, by the company, that it has in every province of the Dominion placed $110 of security behind every $100 of liability to investors.

Canadian Bronze

I hold some shares of Canadian Bronze Co. Can you tell me whether earnings have fallen off badly this year, and do you think there is a likelihood of a cut in dividend payments?

Canadian Bronze is largely dependent on railroad activity for its progress. The company does the major portion of replacement business in bushings and bearings for the Canadian railroads, and when traffic declines, earnings of Canadian Bronze are adversely affected. Railways have cut their running schedules drastically to reduce expenses and car-loadings this year are below those of 1930. The result is that revenue of Canadian Bronze has fallen below last year's level.

Since the outlook for improved conditions in railway activity is not encouraging for the immediate future, it is possible that consideration may be given to reducing the payments made on Canadian Bronze shares. Naturally, the company will be quick to feel the effects of improved railroad conditions, while in the meantime it is making aggressive efforts to increase its miscellaneous business.

Canadian Cottons

I hold some preferred shares of Canadian Cottons Ltd. Would you be good enough to give me your opinion on this stock; is the outlook for the shares satisfactory?

The cotton manufacturers in the past three or four years have been affected by a world wide over-production of cotton goods, a situation which has been aggravated in the past two years by declining commodity prices and reduced sales. Earnings of Canadian cotton textile companies, for the most part, have reflected these difficulties and profits of Canadian Cottons Ltd. have shown a marked reduction from previous years. Earnings in the years ended March 31, 1930 and 1931 were equal to less than half preferred dividend requirements and payment of dividends has necessitated inroads into surplus. Common dividends, as you know, were discontinued in 1930.

The outlook for the company does not indicate that earnings will show much improvement this year, if any. Operations have been conducted at a relatively low level; further declines in the raw cotton market have likely caused a shrinkage in inventory values. Perhaps the most encouraging feature in viewing the preferred stock from an investment angle is the substantial surplus which the company still retains. At the end of the last fiscal year this amounted to $2,114,480; preferred dividend requirements in each year total $219,690. Whether the company will continue to dip into surplus when dividends are not earned, remains to be seen; the general outlook for the cotton manufacturing industry in Canada does not give much grounds for encouragement in viewing possible earnings of Canadian Cottons in the near future.

Bell Telephone

As a holder of some shares of Bell Telephone Co. of Canada I wish to take this opportunity of asking your advice. Do you think that business conditions have affected earnings of the company and is the dividend safe?

Earnings of the Bell Telephone Company of Canada have shown some decline this year, owing to restricted business activity. In 1930, profits of the company were slightly short of dividend requirements and indications are that a similar situation will prevail at the end of 1931. At the end of 1930, however, the company had a corporate surplus of $6,090,807. The company has a long record of progress. It is allowed to charge rates enabling the company to earn 8 per cent on its capital stock. Whether such a condition will continue in the future remains to be seen; dividends at the rate of 8 per cent have been paid continuously since 1891.

National Steel Car

What is the outlook for National Steel Car? I have considered the shares from an investment angle but would like to have your opinion on the company and its prospects.

Earnings of railroad equipment companies tend to fluctuate widely in accordance with the requirements of the railways. In recent years profits have attained a high level, due to the large outlays which have been made on new rolling stock; in the past year they have reflected the restricted purchasing of the railroads. As you know, the railway situation at present presents many difficulties and it is likely that capital expenditures on new equipment will be kept at a minimum until conditions improve. Whether profits of National Steel Car in the fiscal year ended June 30, 1931, will be sufficient to cover dividend requirements remains to be seen. In the last year earnings were equal to $2.62 a share compared with dividends of $2. The last balance sheet, however, showed a fairly strong financial position with capital and surplus totalling $5,619,960. This sum will be further increased by about $575,000, which, we understand, has been awarded to National Steel Car in settlement of a claim for war reparations.

One feature of the company's shares when viewed from an investment angle, is the fact that the capital stock of 130,000 shares comprises the sole charge against the property and dividend requirements total but $260,000 a year. Rolling stock is supplied to the railways by three companies in Canada, of which National Steel Car is one, and this industry as a whole will continue to have its ups and downs with the railways. National Steel Car has diversified its production to some extent which gives it a certain revenue independent of that accruing from the railroad business.

Quebec Power Bonds

Would you kindly give us your opinion on the bonds of Quebec Power Co.? As you will see from my list it is fairly well diversified and I would like to have reasonably sound securities.

Quebec Power, as you probably know has reduced the dividend on its common stock from $2.50 to $2 a share. This is a reflection of decreased earnings and the desire of the management to conserve cash resources. The falling off of earnings has been primarily due to general inactivity of business in the area served by the company, together with a substantial reduction in rates which went into effect about mid-year. While earnings back of the common stock have weakened, we do not think that the position of the bonds has been unduly affected.

Lord Nelson Hotel

I would be glad if you would give me information in connection with Lord Nelson Hotel Co. 6½ per cent bonds, coupon due Nov. 1, 1931, was not paid.

Bondholders of the Lord Nelson Hotel Co. have approved, (or have been asked to approve) of a proposition whereby the Canadian Pacific Railway will guarantee the interest on the company's first mortgage bonds, upon two conditions. The first is that the coupon rate be reduced from 6½ per cent to 4 per cent and, secondly, that the sinking fund requirements be changed for two years.

Irving Oil

Can you give me some idea of the activities and progress made by Irving Oil Co. in recent years? I have thought that the shares might prove an attractive investment.

Our understanding is that Irving Oil Co. has made progress since its inception a few years ago. The company confines its activities to the Maritime Provinces; considerable expansion has been carried out in recent years and products are now distributed through more than 25 bulk stations to over 1,000 retail outlets. No figures regarding earnings have been released during the current year, recent reports stated that the company was doing well. In 1930, earnings were sufficient to cover preferred dividends more than six times over, and a stock distribution of 10 per cent was declared on the common.

Fraser Companies

Could you give me some idea as to what progress Fraser Companies has made this year? Have any figures on earnings been published and will the company be able to redeem its notes next year?

Our understanding is that Fraser Companies has made some progress in liquidating its lumber stocks during the current year, though the lumber industry, as a whole, is still in an unsatisfactory position. No information on the company's earnings has been made available to date and whether a net profit on operations will be reported for 1931 remains to be seen. Our information is that activities have been on a better basis and difficulties experienced in production last year have been largely ironed out. The new sulphite mill at Athol has been fairly active and income for 1931 will reflect a full twelve months' operations from this unit. Further, the company is obtaining the benefit of a premium on U. S. funds on a substantial portion of its output, which may find some reflection in profits for the year.

It is expected that plans for a capital reorganization will be discussed shortly for the company is presently burdened down with fixed charges. There is also indications that the notes which fall due next year will be renewed pending an improvement in the financial situation.

Montreal Apts.

I hold one of the bonds of Montreal Apartments. I have heard nothing of this company's affairs for some time; can you tell me if earnings are satisfactory?

Montreal Apartments, controlling three apartment houses in Montreal, is holding its rentals at a high level. Though definite figures have not been made public, our understanding is that rentals are not far short of capacity. As you know, the company does not publish figures on earnings, but we are informed that during the current year, these have been sufficient to take care of all interest requirements and sinking fund obligations by a satisfactory margin.

Viau Biscuit

I have been offered some first mortgage bonds of Viau Biscuit Corp. Have these bonds a satisfactory record as far as earning power is concerned?

Viau Biscuit Corp., in the past has succeeded in earning its bond interest requirements by a wide margin; in 1930 all interest was earned 8.23 times after depreciation. The bonded debt of the company is relatively small, amounting to $349,400 at the end of last year, and the company should have little difficulty in covering its interest needs in the future. Competition among biscuit manufacturers has been keen but our understanding is that they have arrived at some agreement by which some stabilization in marketing has been effected.

Teach Fruit Culture

Assurance has been given the executive of the Nova Scotia Fruit Growers Association by Dr. Munroe, superintendent of education, that courses of instruction on fruit culture will be given in the New Year to intermediate and high school students in the apple producing districts of Nova Scotia by officials of the provincial Department of Agriculture.

Readers Back Fight For Cut in Expenses

Check in By-laws

Editor, The Financial Post,—

I read with much interest in the last number of The Financial Post the proposal that all municipal loans should be first passed on by the Ontario Railway & Municipal Board. This would have a check not only on by-laws passed by the ratepayers but on all by-laws which the municipalities have had legalized by the provincial legislature without consulting the ratepayers. The following is what was authorized by the legislature in the City of Hamilton for the last five years:

1927	$195,000.00
1928	218,500.00
1929	1,073,000.00
1930	697,600.00
1931	365,663.00

RALPH R. BRUCE

Hamilton
Dec. 21, 1931.

Sees Results as Certain

Editor, The Financial Post,—

As a reader of your paper for a great many years I wish to congratulate you on the timely stand that you are taking with regard to governmental expenditures. A continuation of expenditures in the face of falling revenue simply means increased taxation and the point is nearly reached where the people of Canada cannot carry any greater burden.

Your paper is admittedly the greatest and most influential medium to awaken the business men of Canada to the situation and with that done it will surely follow that public opinion will become so strong that all governments, federal, provincial, municipal and civic regardless of political stripe will be driven to serious and effective consideration of the seriousness of the situation.

L. E. HAMILTON

Halifax,
Dec. 21, 1931.

Is Chief Job Now

Editor, The Financial Post,—

Have read your articles, pointing out how important it is now for governments to cut down expenditures and to balance their budgets, and I heartily agree with you. No business or country can prosper, when the outgo is much greater than the income.

If the Canadian National Railroad could make ends meet, I believe our dollar would soon go to par.

In reference to new income for the Dominion government, I would suggest putting a tax on some of the every day products, since prices have gone so low, namely, sugar, tobacco, bread, pork, potatoes, etc. Everybody would have to pay. As business picks up the sales tax will grow greatly. Business men prefer this to a turnover tax, but the main item is to cut all government expenses.

Encourage our unemployment to go in for small farm plots. A little help would soon place them all on their own resources for all time.

A. MacINTYRE BRUCE.

St. Thomas,
Dec. 19, 1931.

WOULD NOT PRESS MIXED FARMING

Manitoba Professor Thinks Agriculture Needs Organizing

Declaring that no individual or agency has succeeded in producing a national agricultural policy which can command widespread support, Professor Grant, of the University of Manitoba, speaking recently in Winnipeg, emphasized the necessity for an adequate official agricultural survey of the country and the formulation as far as possible, of organized production plans.

With world conditions as they are, Canada should be in a position to make the most of every natural advantage in agricultural production she possesses. If wheat is accepted as the natural crop of the country, the other activities of the farm will fall into their proper secondary places. But if mixed farming, butter production, or other phases of agriculture are erected into rivals of wheat, there will be a shifting of Canadian agriculture from its natural centre, with resultant confusion of thought and economic loss.

"Our major task," declared Professor Grant, "is to make sure that the farmers of Western Canada can depend and will continue to depend on grain growing as the major source of their income and find it profitable to do so. If we can see our situation in this light, our agitation for mixed farming must of necessity take a new emphasis and a new direction."

LOST
$25,000 WORTH OF SECURITIES
To Canadian Banks or Others

IT IS desired to trace an investment which it is believed was made at some date prior to June, 1930, in some form of Canadian Stock or Bonds in the name of Arthur Mountifort Longfield Ponsonby (address probably given at time of investment, Codicote Mill, Welwyn, in the County of Hertford, England), the dividends upon which are being invested from time to time by a bank in Canada, the instructions for which investment were given by the late Mr. Neville Flower, of Codicote Mill, Welwyn, aforesaid, and of 3, Lothbury, London, formerly of 265, Gresham House, Old Broad Street, London. Please communicate with Kearsey Hawes and Wilkinson, 108a, Cannon Street, London, England, Solicitors for the said A. M. L. Ponsonby.

Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds." It is, therefore, the logical medium for municipal bond sale advertising.

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Decidedly worth reading—
Every investor should have a copy

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But many common sense principles can be set down and applied to various stocks to determine which have substantial promise and great relative merit.

Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are now reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. The list is given at the left. This booklet (48 pages and cover) is now available at 25c

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DOMINION COAL AND WORKERS FAIL TO AGREE

Nova Scotia Government Takes Hand in Wage Dispute

From Our Own Correspondent

MONTREAL.—A conference has been called by the Nova Scotia Government in an effort to find a way out of the deadlock now existing between the Dominion Steel and Coal Corp. and the coal mine workers in regard to the new wage schedule.

Earlier in the month negotiations were held between the company and the mine workers with a view to drawing up a contract to succeed the rate schedule which ends on January 31.

The corporation had proposed wage cuts ranging from 10 to 33 per cent; the union executives, representing some 12,000 miners, refused to accept them. Neither party, during more than two months of conferences, receded from its position.

Complain of Procedure

Officials of the Coal Mine Workers' Union complain that the company has adopted a procedure in the present negotiations which differs from procedure in former negotiations.

At former wage conferences, according to a letter sent to the union by a mine workers executive, between the district executive board and officials of the company cases dealing with working conditions and terms of agreement were always discussed before the general question of wages was touched upon. This, the union claims, has been responsible to a great extent for any improvement gained by the organization in recent years. The union is opposed to the present negotiations which first call for a reduction in wages without anything touched on working conditions.

C.G.I. TRUST LOANS REDUCED FURTHER

Has Sold Some U.S. Securities and Invested More in Canada

Directors of Canadian General Investments Ltd. have followed a policy of reducing loans and such liabilities now amount to $1,040,000 as compared with $2,348,473 at October 1, 1931, and $3,906,893 at January 1, 1931, according to letter sent to shareholders on January 1 enclosing dividends of 15 cents per share. This payment brings the total for the year to 85 cents per share, the previous dividend having been at the rate of 20 cents per share.

The current quarter has witnessed the passing of a large number of dividends, it is stated, and the reduction of others while there is no tangible evidence of improvement in underlying conditions. It is still not safe to say that there is evidence of early betterment and without such improvement, improvement in security values would be artificial.

The directors of the company consider business conditions have been more severely affected in the United States than in Canada and have disposed of a large number of American securities held and are inclined to pursue further that policy and increase their investments in Canada rather than elsewhere. While depreciation in market value of assets of the company is stated to be discouraging, nevertheless some of the benefits of a broadly diversified list of securities, as held by an investment trust are in evidence. It is stated that no material increase in income or in the value of securities can be anticipated until underlying business conditions give proof of genuine improvement.

W. D. Beath & Son Defer "A" Dividend

W. D. Beath & Son, Ltd., manufacturers of steel containers of various kinds, grain, dump and other truck bodies, steel barrels, drums, conveyors, tanks, pumps and service station equipment, in plants at Toronto, Sarnia, Montreal and Regina, has deferred payment on the half yearly dividend on 100,000 shares of no par value class "A" stock, due January 2, 1932. The action was not unexpected as the dividends due July 1, 1931, had also been passed.

The company was organized in 1929 to acquire a company of the same name founded in 1909. The class "A" shares received a dividend of $1.20 in 1929 in addition to interest paid in lieu of dividends from January 1, 1929, to March 31, 1929, and July 1, 1929. A dividend of 80 cents was paid on January 2, 1930, and July 1, 1930. The payment was reduced 20 cents on January 1, 1931, and was passed on July 1, 1931. No dividends have been paid on the non-cumulative class "B" shares as yet.

Tamblyn Sales Show Increase Over 1930

Sales of G. Tamblyn, Ltd., amounted to $3,750,000 in 1931 with one week yet to go and sales for the year are expected to be approximately $3,800,000 as compared with the objective of $4,000,000 set for the year. Sales in 1930 amounted to $3,676,438 on which the company showed net profit of $170,067. The 1931 volume of sales is a new annual record for the company.

Net earnings for 1931 is expected to approximate that of 1930 although the ratio of profit to sales is understood to be lower. During the past year four new units have been added.

Pre-Winter Rains Favor Southern Saskatchewan

From Our Own Correspondent

REGINA.—Southern Saskatchewan is feeling much more cheerful as the result of recent extensive rains. Mild weather melted the snow covering the ground, and precipitation ranging from minimum quantities to an inch and a half was recorded.

A large part of the southern area had entered the winter with the subsoil just as dry as last year, or even dryer, making prospects for crops next year extremely poor. Conditions now look decidedly better in many districts, although it will take a good deal more precipitation yet to make satisfactory crops possible in the southern areas in 1932.

Feed Cattle Sugar Waste

A report of Canadian Sugar Factories Limited shows that nearly 11,000 head of livestock are being commercially fed at Raymond, with more still to come. The stock includes 8,300 sheep, 1,580 calves and 650 steers, but does not include quite a large number of dairy herds and small units which are receiving their sugar waste—beet pulp and "beetalasses"—on their farms in the neighborhood.

Sask. Co-op. Creameries Future is Still in Doubt

Conflict of Opinion Arises Among Different Classes of Shareholders—Caulder's Preferred Group Stand Out for Better Terms

From Our Own Correspondent

REGINA.—Future of the Saskatchewan Co-operative Creameries is still in doubt, as the special general meeting of shareholders held recently developed conflict of opinions and of interest between different classes of shareholders. Consequently the plan of reorganization for which the directors and the government had hoped to secure approval cannot be put into effect. The natural result, considering the financial position of the company, would be liquidation, but there is a possibility that the government may secure special legislation at the forthcoming session of the legislature designed to make the plan effective, in spite of the opposition of shareholders.

Company in Bad Shape

A report to the meeting showed the company to be in even worse shape than reports previously published. An appraisal of the assets recently made had resulted in a total valuation of $2,452,000. First charge on these is a bond issue of $392,000 made on the plants of Caulder's Creameries before the amalgamation of that company with the Saskatchewan Co-operative Creameries. Deducting that charge, a balance is left of $2,040,000 which is $300,000 less than the claims of the Saskatchewan Government alone in respect to a mortgage it holds and guarantees of the company's bank account, without considering at all the government's ownership in certain classes of shares.

Suggested New Company

The plan the shareholders were asked to approve was the transfer of the whole undertaking to a new company to be organized. There was an assumption that in the transfer the Saskatchewan Government would wipe off a considerable part of its claim in the hope that this would enable the new company to function, but no details in this respect were made public. Shareholders were to receive one share in the new company for each ten dollar share held in the old company, regardless of class. The new shares were to be no-par, non-voting, non-cumulative, and to be redeemable at $2.50 each. The government was to appoint the directorate until such time as arrangements could be made for producers to take over the organization, or until a suitable opportunity for sale should present itself.

Caulder's Preferred Objected

Four classes of shareholders had to approve the transfer before it could be made; those holding preferred shares, representing the old Caulder's Creameries preferred shares; holders of amalgamation redeemable shares, issued to holders of Caulder's common shares; the government, holding a majority of the last mentioned shares, acquired by purchase; and a block of shares representing advances made to the old company prior to the amalgamation, and holders of the original shares in the Saskatchewan Co-operative Creameries. The latter were willing enough to endorse the proposed plan. They have long been familiar with the fact that any equity in their shares had disappeared, and anything to be received in exchange, no matter how nebulous its value, would be so much to the good, while as producers they were anxious to see the Creameries company continued in operation. But the old shareholders of Caulder's Creameries could see no reason for acquiescing in a plan which ignored the preference they were given at the amalgamation, and they wanted something more definite before giving up their rights. In one class of shares they could be out-voted by the government, but the holders of the preferred, by rejecting the proposal were able to kill the plan.

By letting the company go into liquidation, and by asserting its rights as principal creditor, the government will be able to take possession of the plants, subject to the outstanding mortgage referred to above, but liquidation would be expensive and might result in destruction of a good deal of the patronage of the different creameries. Holders of preferred shares still hope that by holding out they will induce the government to compromise with them and provide something of value in return for their shares.

Wheat Production Costs Tend Gradually Lower

Survey of 38 Farmers' Costs in Western Canada Claims That Tractor and Combine 54 Per Cent Cheaper Than Horses

A steady reduction in the average costs of producing wheat in Western Canada is indicated by a comparison of actual farmers' costs of production by tractor and horse equipment revealed by a survey recently completed.

This survey brings out the close relation of the price trends of gasoline and oats, the respective "fuels," to the cost of wheat production as well as the labor charges involved by the two methods.

Gasoline has dropped in price consistently as its use in automobiles, trucks, and tractors has increased. This is an important point to keep in mind when analyzing the costs of the two forms of farm power. The price of oats also is lower than ten years ago, but the drop has not been consistent. Oats have the tendency to fluctuate in price along much the same lines as wheat. The drop in price of wheat that started in 1929 is accompanied by a very simliar course in price of oats.

The tank wagon price of gasoline (not including tax) at Winnipeg, Regina, Saskatoon, Edmonton, and Calgary, averaged 43.9 cents per imperial gallon in 1921. In the middle of the summer of 1931 it was only 21.3 cents a gallon.

Cost of Tractors

For the present analysis, the cost of producing wheat by tractor power in 1930 was obtained from 38 different farmers in the Prairie Provinces who owned a particular make of 3-plow tractor—16 in Saskatchewan, 10 in Alberta, and 12 in Manitoba. The number of acres of wheat harvested on these farms averaged 276 acres and the average yield 20.4 bushels to the acre.

The average expected life of these tractors was estimated by the farmers at 10.7 years. The average yearly cost is covered by the following items:

Deprec. of tractor (first cost divided by estimated life)	$130.57
Int. on invest. (7% on ½ of first cost)	48.09
Repairs (4% of first cost)	54.97
Housing, insurance & taxes*	5.83
Total yearly overhead	$239.46
Overhead per day (divided by 85, average number of days tractors used yearly)	2.82
Fuel per day, 22.9 gals. at 21.3† cents per gal.	4.88
Oil per day	.99
Grease per day	.13
Total per day tractor cost	$8.82

*Twenty of the 38 farmers keep their tractors housed; 10 of them insure their tractors; only one of them reports a tax on his tractor.

†Average price in three prairie provinces in the middle of the summer, 1931.

Depreciation, interest, and repairs, it will be noted, are based on the original cost of the tractor, each year of the life of the tractor bearing an equal share of these expenses. Four per cent of the original cost is a liberal estimate for yearly repairs. Actual repair costs usually average considerably less.

Now, to compare the cost of using horses it must first of all be determined how many horses would be required.

A Western Canadian farm with 275 acres of wheat would be close to a three-quarter section farm, or 480 acres, provided the owner summer fallows his wheat land every third year. His acreage probably would be divided like this:

	Acres
Summer fallow last year	137
Summer fallow 2 years ago	138
Summer fallow this year	137
Barley and other crops	48
Buildings and permanent pasture	20
Total	480

He would require two binders to cut his crop—that would mean two four-horse outfits. He could not get along with less than eight horses, and he probably would have at least ten, figuring that two of them would be in pasture part of the time.

Expenses of Horses

Horse values in Western Canada at the moment are very low, but an average for a good four-year-old probably is around $75, and the average horse should give about ten years of service after he is four years old. Here, then, is an estimate of the yearly expense for these 10 horses, feed costs being based on estimated average prices in the Regina region in August of 1931:

Depreciation	$75.00
Int. on invest. (7% on ½ of first cost)	26.25
Veterinary exp. ($1.50 per horse)	15.00
Housing & feed ($15 per horse)	150.00
Harness & blankets, deprec., int., repairs, etc. (1-6 of an original value of $300)	50.00
Feed for horses*	403.75
Care—452½ hours† at 33 6-10 cts. per hour	152.04
Total yearly cost for 10 horses	$872.04
Total yearly cost per horse	$ 87.20

*Three 6-pound oat sheaves per horse per day for 300 days at $10 per ton; 1½ pecks of threshed oats per horse per day for 135 days at 20 cents per bushel; and 65 days of pasturing at 5 cents per horse per day.

†An hour in the morning, half an hour at noon and an hour at night each day during 135 days of the summer, and half an hour a day during 5½ winter months.

As it will be seen later, these ten horses would do a total of 641.6 days of work in the wheat during the year, including the summer fallow. Figuring that hauling and miscellaneous work would bring this total to 1,000 days, the cost per working day for each horse would be 87.2 cents. The cost for horse labor at the Experimental Station at Rosthern, Saskatchewan, in 1930 was $1.08 for a 10-hour day, the work averaging 133.8 ten-hour days per horse per year.

Costs Compared

Now, we are ready to analyze what would be the relative cost of producing a 275-acre crop with a tractor and with horses. Let us assume that the 137 acres that were in summer fallow the year before were plowed and disked and then field cultivated twice and rod weeded once, and then disked again the following spring. Let us also assume that the 138 acres that had been in crop the year before received one stroke of the field cultivator and one stroke of the rod weeder prior to seeding and that the entire 275 acres were gone over with a peg-tooth harrow after the seeding. Here are the average per acre costs for these operations and for drilling and harvesting among those of the 38 tractor farmers who reported costs for these operations, fuel costs being based on the current (summer of 1931) price. As a matter of interest, the number of farms used in striking these averages, and the average number of acres covered per day, also is shown in each case:

Per Acre Costs—Tractor

Operation:	No. of Farms	Acres per day	Aver. cost per acre
Plowing (3 bottoms)	13	12.9	$1.01
Disking (single)	10	65.6	.21
Cultivating	14	39.7	.34
Rod weeding	5	56.2	.30
Drilling	20	12.2	.35
Peg harrowing	5	98.5	.16
Combining	10	38.3	1.08

These costs include all labor (charged at an average rate of $3.36 a day), tractor overhead and operation, and overhead on machines (figured the same way as tractor costs). All of the machines, with the exception of the three-bottom plows, were of varying widths. If all the machines had been of maximum size, the average number of acres covered per day would have been increased and the average per acre costs would have been decreased.

In the final accompanying table, these costs for tractor operation are shown for a 275-acre crop together with what the corresponding costs would be if horses were used. Man labor in both cases is figured at $3.36 for a ten-hour day. Horse labor is figured at 87.2 cents per horse per day, and the overhead on machines used behind the horses is figured conservatively. The harvesting with horses is accomplished by the binder and thresher method, an estimated 10 cents a bushel being charged for threshing. This, it will be found, is less than the average rate charged for custom threshing over a period of years where the manager of the threshing crew feeds his own men and furnishes horses which the owner of the crop is required to feed while threshing is going on. It is assumed in these costs that the wheat can be stooked at the rate of an acre an hour for each man, or 10 acres a day; that the threshing machine will thresh at the rate of 1,375 bushels a day (92 per cent of the capacity that can be expected of a 28 by 46 thresher); and that each of the thresherman's horses will eat a peck of oats three times a day during the four days of threshing.

Costs Halved

It will be seen that even though a high estimate is placed on the number of acres a day the horses can be expected to cover in the different operations, the total cost with horses cannot possibly be less than $6.83 an acre, while the cost with a tractor is only $3.11 an acre—a saving of $3.72 an acre. These costs, of course, do not include seed, crop insurance, land taxes, hauling to market, and other miscellaneous costs that would be the same whether horses or tractors were used.

The whole thing can be summed up in the statement that by cutting man labor to nearly one-quarter, the tractor and combine method saves 54.4 per cent, or 18.6 cents a bushel. On just one 275-acre crop the farmer saves $1,022.82—enough to pay 29.4 per cent of the total delivered price at Regina, Saskatchewan, of a 16-foot harvester-thresher and a 3-plow tractor in one year.

Now, what if the price of fuel should go up or the price of horse feed go down? The fuel cost for the tractor was $237.08, or 86.2 cents an acre, and with horses $259.05, or 94.2 cents an acre, would be spent for feed. This means that if a farmer could get horse feed for nothing it still would cost him $2.78 an acre or 13.9 cents a bushel more to use horses than to use a tractor.

Or, put it another way. Suppose feed should drop to one-quarter its present price and gasoline should become four times its present price, it still would cost 43 cents an acre more to use horses than to use a tractor.

It should be remembered that the more acres a tractor covers in a year, the more money it saves, and, further, that a tractor, by reducing the number of days a man needs to spend in his wheat, enables him either to increase his acreage or provides him with valuable extra time during the season of the year when he most needs it for engaging in mixed farming enterprises. A growing number of tractor owners now are getting started with live stock, gardens, and crops other than small grain.

Lower Costs Essential

It is estimated that three-quarters of western Canadian wheat still is threshed from the stook. Low wheat prices are bound to reduce this figure. A man who is a good farmer is not going to let the low prices drive him away from farming without a struggle. He is going to study the costs of his operations and see how he can reduce them.

The prairie provinces, with their broad, level acres, need not fear for the future of their wheat profits if they take proper advantage of up-to-date equipment. Weeds, drouth, hail, rust, and low grain prices call for lower production costs. And they will come. They already are here on many farms and will prevail on a steadily increasing number of farms as the facts about tractors and combines become more generally understood.

TRACTOR AND HORSE COSTS COMPARED
In Producing 275 Acres of Wheat—Average Yield 20 Bushels per Acre

Operation:	Acres Covered	Man-days with Tractor	Man-days with Horses	Total Cost† Tractor	Total Cost† Horses	Saving with Tractor
				$	$	$
Plowing*	137	10.6	34.3	138.37	266.79	128.42
Disking*	137	2.1	8.6	28.77	77.68	48.91
Cultivating*	137	3.5	9.1	46.58	82.47	35.89
Cultivating*	137	3.5	9.1	46.58	82.47	35.89
Rod weeding*	137	2.4	7.6	41.10	69.78	28.68
Disking	137	2.1	8.6	28.77	77.68	48.91
Cultivating	138	3.5	9.2	46.92	83.36	36.44
Rod weeding	138	2.4	7.7	41.40	70.70	29.80
Drilling	275	5.3	11.5	96.25	116.70	20.45
Harrowing	275	2.8	6.9	44.00	62.18	18.18
Harvesting	275	14.4	14.4	297.00	155.76	591.75
Stooking	275		27.5		92.40	
Threshing 5,500 bush. at 10c. (including board of crew)			36.0		550.00	
Farmer's own labor during threshing			4.0		13.44	
Feed for 14 horses during threshing‡		....	....		8.40	
Twine at 1¼c. per bushel		....	....		68.75	
Total		52.6	194.5	855.74	1,878.56	1,022.82
Per Acre		....	.....	3.11	6.83	3.72
Per Bushel		....	.....	15.6c	34.2c	18.6c

*Summer fallow. †Including all machinery costs.
‡12 pecks of oats per horse at 20 cents bushel.

Can. Industries Disbursements $4.50 a Share

From Our Own Correspondent

MONTREAL.—With the declaration of an extra dividend of $1 a share on the common stock of Canadian Industries Ltd. payable January 30, 1932, to shareholders of record December 30, 1931, a total of $2 a share has been paid out in extra dividends during the year compared with $2.50 a share in 1930. In addition, regular dividends at the rate of $2.50 a share have been distributed so shareholders have received disbursements totalling $4.50 a share in 1931 against $5 a share in the previous year.

The extra dividends have been declared as follows: March, 25 cents; June, 50 cents; September, 25 cents and December, $1. Earnings of the company in 1930 were equal to $5.04 a share on the common.

Ability of Canadian Industries to maintain its disbursements during the past year within 50 cents of those of 1930 augurs well for earnings. The company has diversified its production extensively and its entrance into the cellophane field is the latest step in widening operating scope. The company completed three new fertilizer plants during 1931.

NEW RECORD SET IN SUGAR OUTPUT

Dominion Manufactures 124,420,000 Lbs. in Four Weeks

A new sugar manufacturing record for all time was set up by Canada for the four weeks period ending December 5 with a total of 124,419,989 pounds.

This was well in excess of the previous peak established in the preceding four weeks at 121,790,000 pounds reported in The Financial Post last week, when a chart of production over the past five years also appeared. It also exceeds the output for the corresponding period last year by nearly 16,000,000 lbs.

A seasonal peak is always reached at this time of year, due to the inflow of the new crop, but active Christmas trade and a curtailment of dumping are given as the explanation of the exceptional figures this year.

Total production for the year to date now stands in excess of 920,500,000 lbs. which compares with last year's figure for the same period of barely 877,000,000 lbs. Exports at 2,248,500 lbs., valued at $109,521, for November compare with 1,921,600 lbs. valued at $95,223 for the same month of 1930, though the amount exported for the 11 months is approximately 26 per cent lower this year at 13,844,400 lbs.

Average Value of Pound $4.14 From Jan. 1 to 15

Notification has been made by the Department of National Revenue that the average value of the pound sterling for special duty purposes, effective for entries during the period January 1 to 15, 1932, is $4.14.

Announcement is also made of the extension of the original order-in-council by which the fixed rate of $4.40 was established for the pound sterling for special duty purposes. This original order was effective up to December 31, and the new order-in-council, dated December 23, states that this fixed value shall prevail up to and including March 31, 1932, unless otherwise ordered by competent authority.

521,000 Radio Licenses In Effect as at Nov. 30

Private radio receiving licenses issued in Canada to the end of November in the fiscal year 1931-32 numbered 520,913, as against 444,676 for the corresponding period a year ago. Licenses issued during November this year, is indicated to be 23,303, this being the excess of the latest figure over that reported as at the end of October.

The biggest gain in comparison with the figures as at November, 1930, was recorded by Montreal and suburbs, where licenses increased from 36,238 to 66,297, this gain of 30,000 odd accounting for the entire increase made by the province of Quebec. Ontario showed a gain of approximately 20,000, to 248,420, of which Toronto contributed about 3,200. The only other notable provincial increases are shown by British Columbia, up about 13,000 to 49,947; Nova Scotia up 5,000 to 19,002; and Alberta, up 3,800 to 23,272.

RUBBER IMPORTS DROP

Imports of rubber into Canada during November had a value of $332,839, as compared with $396,641 in the previous month and $670,884 in November last year. Of the total the United States supplied $292,757 worth, the United Kingdom $20,756 and other countries $19,326.

Apple Exports Heavier

The movement of apples from the Annapolis Valley to Halifax, for export, since the opening of the season, totals 654,699 barrels, 16,603 half-barrels and 8,464 boxes, as compared with 570,885 barrels, 15,086 half-barrels and 461 boxes, for the same period last year.

Let Them Hear Your Voice

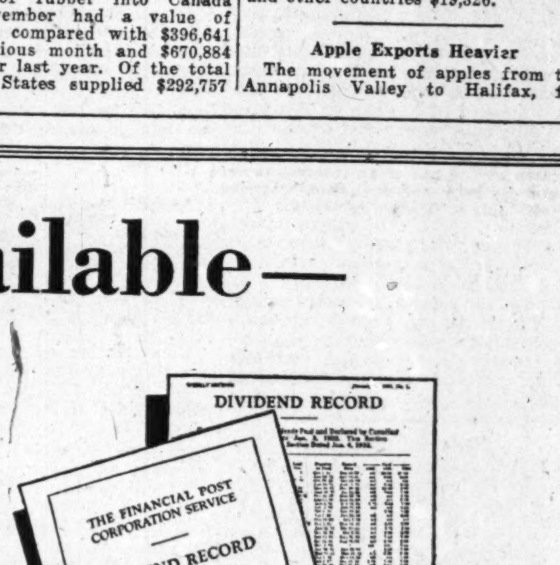
to Start "A Happy New Year."

The beginning of a New Year is a good time to renew the real things of life—the home ties and friendships that nothing can replace.

If you are away from home and from old friends, let your telephone help you. Long Distance has become so quick, so simple and inexpensive that it is your easiest way of exchanging good wishes.

Start 1932 right by a greeting to those you care for. Let them hear your voice — the next best thing to being with them in person.

THE BELL TELEPHONE COMPANY OF CANADA


DIVIDEND RECORD
THE FINANCIAL POST CORPORATION SERVICE
DIVIDEND RECORD
Revised on January 2, 1932
THE FINANCIAL POST CORPORATION SERVICE

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Realizing the need for a ready reference on dividend payments, The Financial Post Corporation Service has compiled a Dividend Record which covers listed and unlisted Canadian companies and foreign companies whose securities are listed in Canada. This valuable record, covering over 500 companies, is now available.

The record is published in handy booklet form as illustrated above. All important facts regarding a company's dividends are included, such as:

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The complete record comprises two sections. The main section (green) is cumulative and is revised once a month. Throughout the month, weekly sections (white) are issued to supplement the main section. The weekly sections are cumulative also, so that at any time it is necessary to refer only to the latest green and the latest white section.

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Current Events in Banking World

Minor Bank Services Potential Profit-Makers If Well Merchandised

Though Public Expects Many Small Services for Nothing

SOME INSTANCES

Profitable Services Could be Expanded by "Selling" Effort by Branch Managers

By G. RENNISON,
Manager Canadian Bank of Commerce, Revelstoke, B.C.

Many of the services extended by branch banks throughout the country are unprofitable owing to the exceedingly keen competition between the various institutions and in some measure of reform would appear to be necessary if legitimate minor profits are to be secured for services rendered. The cure for this is largely up to the branch bank managers.

The expression "minor profits" is usually used to cover such sources of revenue as commission and exchange (of various kinds), and all other sundry earnings of a branch. These are supplementary to the broad principal sources of income consisting of interest earned on loans and interest allowed by head office on the excess of deposits over loans.

Stricter Check on Costs

Prior to the Great War, it is fairly safe to say that minor profits were not viewed in proper perspective by many a branch manager. The war brought about a change in outlook. Rising operating costs and vastly increased taxation were largely responsible for directing the attention of bank executives to the necessity of increasing sources of revenue and eliminating unnecessary expense and business of an unprofitable nature. While much has been accomplished along the lines of reform, much still remains to be done, either by discontinuing the unprofitable service or by making it revenue producing.

Contrary to popular idea, competition has prompted many a branch manager to waive a charge that is perfectly legitimate for fear of offending a client and running the risk of losing his business, even though, when analyzed and examined, it is found to be unprofitable or even a source of loss.

This is not sound business. Because a grocer sells sugar to his bank manager at a price that permits a fair margin of profit, it is unreasonable that the bank manager should therefore expect flour or canned goods to be supplied by the same grocer at or below cost. And yet this is a fair analogy.

Clients Expect Too Much

All sorts of services are expected of a bank without charge—services that cost money to provide—simply because the client may be paying for one particular service. Borrowers expect to operate current accounts that provide no free funds to compensate the bank for the cost of labor, stationery and often postage. Savings bank customers look for the privilege of numerous cheques against savings accounts.

The average bank manager has the remedy partially, at least, in his own hands. That remedy takes time and means work combined with tact and diplomacy. It means the education of the public to a realization of the principle that "the laborer is worthy of his hire."

Many branch banks have now in force a definite schedule of charges covering transactions relating to the purchase and sale of exchange, storage of securities, renting of safety deposit boxes, purchase and sale of stocks and bonds, collecting of commercial drafts, remitting of funds, and so on. Such a schedule should always be in force and should be carefully prepared, especially at non-competitive points, and the reason for each charge explained wherever possible. A bank has certain services for sale and they should be sold not given away free.

Many Potential Sources

A careful survey of the situation as it stands at his own particular branch will usually reveal to the average manager potential sources of increased revenue for his branch. He might commence with the current account ledger and analyze on a cost basis those accounts showing minimum balances that bring them under suspicion. Current accounts are not operated without cost to the bank. A perusal of the cost of the necessary deposit slips, cheques, and ledger sheets, plus an estimate of the postage cost incidental to this section of his business, and the salary of the officer or officers concerned, will give him some idea of that cost. And it must be remembered that part of the space in the office is occupied by this particular department and that a proportion of the overhead is properly chargeable to it. Accounts showing balances that permit no profit should be listed and followed up, and an arrangement concluded with the customer respecting a proper charge. Operating charges on unproductive current accounts are now made by some, at least, of the British banks.

Security Storage

The storing of securities either through what are termed safe-keeping packages or the renting of safety deposit boxes is an avenue of revenue that can be enlarged as a general rule. Almost every person, especially every married wage earner, has some papers of value. It may be the title deed to his house or other property, stock certificates, life and fire insurance policies or his will. Here a bank has something to offer that is of unquestioned value if he will apply a little selling ability. This class of business is desirable from every point of view. It is profitable business for the bank. It is good for the client and in many cases will save his executors untold work and needless expense.

The sale and transfer of funds is a matter properly coming within the compass of the activities of a branch bank. It is a highly competitive field. In Canada remittances can be made through the post office or the express companies with almost equal ease. With these institutions the transferring of funds is a side-line. A bank is a specialist and by reason of its network of branches across the Dominion can place at the disposal of the client a service that is unexcelled. It is illogical, however, to expect a bank to transfer funds free of charge. The post office does not do so nor do the express companies. But it is a common event to find a client who expects that a cheque he has received from his old friend drawn on Purple River, Saskatchewan, should be cashed by his bank in Green River, Alta., without charge.

Sell Money Orders

Many people are still unaware that a Canadian bank sells money orders. This idea can best be corrected by direct questioning, for a large number of people never observe the advertising signs placed inside a bank unless they are something quite striking either in design or color. In the rapid transfer of funds the banks are undoubted experts. Their only competitors in this field are the telegraph companies. As this work involves great care and often means (through the use of a code) lessened cost to the client, a proper fee should be charged.

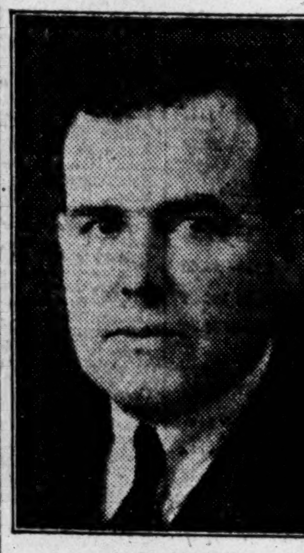
Under varying circumstances other sources of revenue falling within the category of minor profits will suggest themselves. In a district settled by people of European extraction the officers of the branch bank will often be called upon to write letters respecting various business transactions. It is only fair to make a charge for this service for it takes time. In the prairie provinces much land changes hands under "agreement for sale," involving payments of widely varying amounts made at different dates. The position of these agreements can be accurately calculated by the use of an interest tables and day book, and as such calculations take time it is only fair to ask for a fee.

Collections

Opportunities may occur of obtaining what may be termed special collection business, collecting book accounts of a difficult or draggy nature for a merchant. This is usually slow and difficult business, involving careful follow-up methods that demand the expenditure of considerable time, and it should be charged for accordingly.

In conclusion, let one point be borne prominently in mind. The manager of a branch bank has two responsibilities. The primary one is to his employers. No reasonable person expects that another will work for him without reasonable financial recompense. There lies the point; the recompense asked should be reasonable and fair. Minor profits are maintained or increased permanently only by fair and reasonable dealing.

New Branch Manager



A. H. SEGUIN

Appointed manager of the King and Bay branch, Toronto, of the Imperial Bank of Canada. He succeeds W. M. Sellens, who will take over the managership of the Vancouver main branch. Mr. Seguin joined the bank in 1905 and was manager at Cobalt from 1915 to 1929. More recently he has been manager of the bank's Bay and Temperance branch, Toronto.

Bank Chat

Imperial Bank of Canada announces the following staff changes:

W. M. SELLENS, formerly manager King and Bay branch, Toronto, has been appointed manager, Vancouver Branch, succeeding J. M. Lay, who will act in an advisory capacity for a short time when he will retire on pension.

H. D. MORTON, formerly accountant, St. Catharines, has been appointed accountant, Yonge and Bloor Branch, Toronto.

Retired Winnipeg Banker Joins Huron & Erie Board

John McEachern, former superintendent of Manitoba branches of the Bank of Montreal, recently superannuated, has joined the Manitoba advisory board of The Huron & Erie Mortgage Corporation and The Canada Trust Company.

Mr. McEachern is president of the Winnipeg Board of Trade, vice-president The Canadian Club, national councillor of Canadian Chamber of Commerce, chairman of Sanatorium Board of Manitoba, and chairman of the finance committee, Winnipeg General Hospital.

Weekly Bank Clearings

Eastern Cities	Dec. 25, 1930	Dec. 24, 1931
Halifax	$ 2,910,450	$ 2,589,075
Saint John	1,999,401	2,137,516
Moncton	680,908	851,138
Sherbrooke	657,735	703,552
Quebec	5,320,916	5,046,992
Montreal	90,660,373	91,612,344
Ottawa	6,353,433	6,439,076
Kingston	729,719	681,332
Peterboro'	882,915	819,394
Toronto	91,983,178	85,942,268
Hamilton	4,614,340	4,415,822
Kitchener	1,168,306	1,172,558
Brantford	1,032,464	1,030,664
London	2,837,244	3,260,416
Windsor	2,620,129	2,695,420
Chatham	644,143	707,411
Sarnia	636,143	615,372
Sudbury	782,880	619,115

Western Cities	Dec. 25, 1930	Dec. 24, 1931
Fort William	$ 650,682	$ 727,698
Winnipeg	32,245,309	44,764,792
Moose Jaw	821,686	730,141
Saskatoon	1,801,679	1,886,788
Prince Albert	325,834	354,366
Edmonton	4,510,107	4,727,203
Calgary	8,793,402	6,521,366
Regina	4,039,408	3,481,267
Medicine Hat	257,145	266,676
Lethbridge	434,895	446,213
New Westminster	645,330	571,284
Vancouver	15,075,385	14,898,313
Victoria	2,027,086	1,734,524
Brandon	477,757	392,120

GOOD EARNINGS SHOW IN REPORT BANK OF TORONTO

Profits After Write-offs Are $15.15 Per Share; Equity Up

Earnings of $15.15 per share after making allowance for tax reserve and bank premises depreciation are shown by Bank of Toronto for the fiscal year ending November 30. A year ago earnings were $16.33. Net profits before write-offs were $1,168,915 or $19.48 as compared with $1,339,872 or $22.33 per share in 1930.

The only change in the year's write-offs was a decrease in the amount charged off to bank premises account to $100,000 as against $200,000 in 1930. The bank carried forward a nice balance of $128,915 into surplus after meeting all charges and paying its regular 12 per cent dividend. No bonus is being paid in 1931.

Details of profit and loss for the past two years are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended November 30

	1931 $	1930 $	1929 $
Net profit*	1,168,915	1,339,872	1,453,436
Less appropriations:			
Dividends	720,000	720,000	713,436
Bonus	....	60,000	60,000
Pension fd.	60,000	60,000	60,000
W/o prem.	100,000	200,000	200,000
Tax on circ.	60,000	60,000	58,055
Res. for accr. taxes	100,000	100,000	100,000
Surp. for year	128,915	139,872	261,945
Add: Prev. surplus	302,993	163,121	901,175
Prem. on new stock	....	....	1,000,000
Less: Trans. to rest	....	....	2,000,000
Bal. carr. fwd.	431,908	302,993	163,121

*After expenses of management, and provision for bad and doubtful debts, interest accrued on deposits and rebate on discounts.

Assets Maintained

Total assets are down only 4 per cent to $126,102,579, according to the new balance sheet, while shareholders' equity shows an increase to $257.20 per share as against $255.05 a year ago. Liquid assets at $61,813,000 form 56 per cent of all liabilities to the public as compared with a corresponding ratio a year ago of 51.46 per cent. The most important change in assets during the year is an increase of $8,200,000 in holdings of government securities which now stand at $25,930,000 as compared with $17,525,000 at the end of November, 1930.

Loans and advances show a decline of $7,155,000, indicative of the general decline in business volume. Deposits show a slight increase of $80,712 due to an increase of $2,833,000 in demand deposits which more than offset a decline of $2,752,000 in savings deposits.

The Financial Post analysis of the bank's statement is as follows:

GENERAL STATEMENT
As at November 30

	1931 $	1930 $
Immediately Available Liquid Resources		
Assets		
Specie	355,825	404,264
Dominion notes	8,838,580	11,266,176
Gold reserve	1,680,867	2,380,867
Due by for. bks.	1,636,641	7,889,550
For. currency	27,389	107,675
Govt. secs.	25,930,736	17,525,777
	38,420,038	39,074,309
Loans and Securities Other Than Those of Canadian Government		
Public secs.	7,401,755	2,792,017
Rly. & other secs.	2,137,367	1,507,712
Can. call loans	6,378,178	8,650,325
Current loans	58,721,076	65,939,097
	74,638,376	78,889,151
Due from Other Banks		
Notes of other banks	678,735	727,400
Cheques of other bks.	6,797,220	6,950,281
	7,475,955	7,677,681
Other Assets		
Non-current loans	243,965	181,092
Mortgages	30,950	41,037
Letters of credit	1,190,097	1,481,884
Premises	3,805,525	3,689,121
Deposits re circ. fd.	297,673	289,003
	5,568,210	5,682,137
Total assets	126,102,579	131,323,278
Liabilities		
To the Public		
Circulation	6,691,889	7,539,424
Deposits by public:		
Demand dep.	19,747,866	16,914,342
Svgs. dept., incl. accr. int.	81,056,838	83,809,650
To banks abroad, etc.:		
Foreign banks	1,322,432	2,037,097
Bills payable	....	393,385
Letters of credit	1,190,097	1,481,884
Other liabilities	190,918	308,243
	110,200,040	112,479,025
To banks in Canada	289,778	3,300,502
To the Shareholders		
Dividends	180,853	240,758
Reserve	9,000,000	9,000,000
Capital	6,000,000	6,000,000
Surplus	431,908	302,993
	15,612,761	15,543,751
	126,102,579	131,323,278

EMPHASIZES NEED FOR BIMETALLISM

J. F. Darling Warns That General Bankruptcy Impending

Speaking recently at Belfast, Ireland, J. F. Darling, director of the Midland Bank, England, expresses the opinion that, failing immediate courageous leadership in world monetary matters, general bankruptcy may be ahead. He intimated that delay pending a world economic conference was dangerous.

He reiterated his belief that the remonetization of silver provided a means of restoring world values, a necessary precedent to world recovery, and again urged the establishment of a British Empire currency based on gold and silver and the adoption of an Empire monetary unit, the "Rex." Concluding his remarks, Mr. Darling said:

"In the world's extremity an opportunity is offered to Britain such as never before has been afforded to any nation to assume monetary leadership, not for purely selfish ends, but for world recovery. The need is so urgent that, without waiting for a conference, Britain should act now by enabling India's mints to be re-opened to unrestricted coinage of silver through the opening of the Bank of England's vaults for its reception."

Further U.S. Banks Close; Total to Date Now 1,956

Thirty United States banks failed during the week ending December 12, as compared with 37 which went out of business the preceding week. Six banks re-opened their doors, however.

The number of banks which have suspended business in the United States since the first of the year now totals 1,956, with deposit liabilities approximating $1,585,000,000. New York State with five closings and Missouri with four were the two hardest hit states in the week named.

What Editors Say of Banks

To Control Money

High River Times, Alta. — Hon. Robt. Gardiner, in his address at High River, the other evening, made a strong case against excessive interest rates as charged under the present banking system. He suggested an alternative system in the nationalization of banks in order to reduce cost of operation and to maintain a proper relationship between volume of currency, and the goods and services in the country. This, in his opinion, would discourage the recurring periods of deflation when the amount of goods in the country is far in excess of released currency.

Mr. Gardiner's scheme is a development of the general dissatisfaction with present financial methods. He said that undoubtedly the so-called capitalistic system had advanced the human race as no other had done. But it has also brought the world up to a point where millions are in want in the midst of plenty and surrounded by rich resources. This is an intolerable and unique condition for which those in control of money must take a large measure of responsibility. He expressed the hope that the same intelligence which had brought civilized nations to the present great advancement, would go still farther and solve the present conditions. If those in control of the capitalistic system refuse to exercise their power for the relief of mankind, then it was to be feared the end of the capitalistic system was in sight and there would be drastic alterations. In this prophecy, Mr. Gardiner only shares the sentiments of world wide economists. Surely those who control the money bags will read the handwriting, and make concessions voluntarily and intelligently, before plunging the world into catastrophe.

A "Central Bank"

Border Cities Star, Windsor: — Manitoba farmers, meeting in Brandon, suggest the formation of a "central bank" in Canada to aid in preventing cycles of depression and inflation. In this connection, the farmers say that the existing Canadian banks have not attempted to solve the problem of the agriculturists and that the banks and railways, prominent in the recent organization of the Dominion Agricultural Credit Corporation, could better assist agriculture by reducing freight rates and interest charges.

We are not sure what the Manitoba men have in mind in connection with their central bank plan. If they want the Government to establish and operate such a bank, we can't see the idea at all. The Government is already involved in too many business enterprises and to its sorrow. The taxpayers—most of whom live in the East—know that. On the other hand, if Manitoba farmers want the chartered banks to form some co-operative central banking institution for the purpose of giving greater attention to agricultural needs, that might have some virtue.

We are not inclined to be critical of the Canadian banking system, but no system is perfect. Perhaps there are ways in which the banks can be of more practical assistance to their customers, both rural and urban. If there are, if the farmers can make reasonable suggestions along these lines, we are sure that the astute financial men who control our banks will be ready to give these suggestions their best consideration. It must not be forgotten, however, that the money the banks control and handle is not, after all, the property of the banks but of the depositors who use the banks. The banks, therefore, have the status of public trustees. They cannot take unreasonable chances with other people's money.

Canadian Banks Strong

Nelson News—Weaknesses in the bank structure in the United States have been accentuated by loss of confidence among depositors. Solvent banks have been forced to close along with unsound ones. The currency circulation has increased to a new high point. Public confidence, shaken by bank failures, has resorted to hoarding.

In comparison with the United States' banking structure, Canada's system reflects to her advantage. It has been one of evolution and growth rather than that of creation by the government. It has developed along the branch bank system, which is peculiarly adapted to the growth of a young country. Its keynote of centralization rather than the partially centralized system of the United States.

The elimination of weaker banks, amalgamations, co-operation between individual banks and supervision by the government have resulted in Canada having today a banking system that has withstood serious shocks and which is ready to help Canada on her way to prosperity.

Net Fishing Banned Lakes Erie, Ontario

From Our Own Correspondent

BUFFALO.—In accordance with the agreement reached with the Province of Ontario and with states of the United States, the conservation department of the State of New York has issued positive orders forbidding net fishing in Lake Erie and Lake Ontario. The prohibition was not made without encountering some strong protests from fishing interests. The plea was that prolongation of the fishing season would provide many unemployed men with the means of earning a living. The experience has been, however, that the use of nets after the middle of December is apt to be very destructive to fish life. Nets become frozen in the ice and fish are caught and perish without contributing in any way to the food supplies of the fishermen.

The decline in fish life in Lake Erie during recent years has been appalling and its restoration is more important than the immediate gains which might result by leaving net fishing open to the unemployed this winter.

U.S. Official Predicts National Branch Banks

Immediate congressional authorization of national branch banking throughout interstate trade areas is forecast by J. W. Pole, U. S. comptroller of currency. The underlying cause of the tremendous number of bank failures and disturbances in the U. S., according to Mr. Pole, has been the inability of local unit banks to obtain sufficient diversification of their investments.

Secretary Mellon, in his annual report, recommended that trade-area branch banking be adopted for national banks as a solution of U. S. banking difficulties, while President Hoover has also urged prompt improvement in U. S. banking laws permitting an enlargement of branch banking under proper restrictions.

Dominion Bank Branch Closes

The Thamesville, Ont., branch of the Dominion Bank, established here 12 years ago, has withdrawn in favor of the Bank of Montreal, and the change over of clients is now under way. W. W. Creswick has been the manager of the Dominion branch for several years and will be at the Bank of Montreal until a complete adjustment is made. W. T. Wilkins is manager of the Bank of Montreal.

Insurance for Buyer and Seller

FOUR PRECEDENTS FOR VALUATIONS OF PRIOR YEAR

Insurance Securities Got Special Treatment From Ottawa During War

There is ample precedent in Canada for the valuation of insurance company security investments as at the valuations of the previous year, as has been reported from Ottawa as the course of action which will be allowed by Superintendent G. D. Finlayson. At time of going to press G. D. Finlayson has refused to confirm the report that 1930 valuations will be allowed and insurance officials are eagerly awaiting definite word on this important matter.

On four previous occasions the Insurance Department at Ottawa, acting through orders-in-council, has decreed valuations other than stipulated in the insurance act, namely in 1914, in 1917, in 1918 and in 1919. In each case the principle of a valuation for certain securities as at the end of a preceding year has been used although with variations.

First Year of War

In December, 1914, the superintendent stated in his bulletin to insurance companies that in view of the outbreak of the war and the demoralization of security prices, companies would be allowed to use December 31, 1913 valuations for government and municipal securities held at the latter date and that for securities purchased subsequent to the end of 1913, the purchase price exclusive of accrued interest would be allowed. For other securities such as stocks and industrial and railway bonds the same rule was followed with the exception that certain securities which had suffered "obvious intrinsic depreciation during the year" were specially investigated and appraised.

In 1917, "on account of the general depression existing at the present time in the security markets for securities other than government securities" a similar ruling was passed allowing government and municipal securities purchased prior to December 31, 1916, to be taken in (for 1917) at the previous year's valuation while securities purchased during the year were to be taken in at book values as at Dec. 31, 1917. A similar clause as in the 1914 ruling called for special investigation of any other securities which had suffered obvious depreciation during the year, "in order that the actual values of the securities may be, as nearly as possible, ascertained."

Two Years Alike

In 1918 the following statement of valuation was issued, and this was again repeated in 1919 with the exception that wherever the figure "1918" occurs it was changed to read "1919."

1. **Government and Municipal Securities:**

(a) For securities held at December 31, 1916, the values allowed by the department as at that date.

(b) For securities purchased or otherwise acquired since December 31, 1916, the book values as at December 31, 1918.

2. **Railway and Miscellaneous Bonds and Debentures:**

The same rule will be followed as for government and municipal securities but a special investigation will be made to determine whether these securities have suffered obvious intrinsic depreciation since December 31, 1916, or since date of purchase, if purchased since that date, in which case the actual values will be as nearly as possible ascertained and allowed.

3. **Stocks:**

Will be taken at the market values as at December 31, 1918.

Added $404,520 in November

New business issued and revived during November by the Mutual Relief Life Insurance Co. totalled $404,520, bringing the total in force up to $22,343,968. Death claims paid during the month amounted to $26,481 and mortuary dividends to $188.

New Director

GEORGE B. FOSTER, K.C.

Who has recently been elected to the directorate of The Travellers' insurance group, succeeding his father both as a director and as legal agent for Canada.

Licenses Issued

Department of Insurance, Ottawa, announce the following licenses issued:

Phoenix Assurance Co. Ltd.—Authorized to transact accident, guarantee, inland transportation, plate glass and sickness insurance, in addition to classes already licensed.

The Union Marine and General Insurance Co. Ltd.—To transact guarantee insurance, in addition to classes already licensed.

Springfield Fire and Marine Insurance Co.—To transact fire, hail, sprinkler leakage, tornado, inland transportation, explosion insurance and automobile insurance, excluding loss by reason of bodily injury to the person, and insurance against loss of or damage to personal property, to the extent permitted by the company's Act of Incorporation and the insurance laws of the Commonwealth of Massachusetts.

Great W. Life Announce Reorganization in Quebec

Expansion in the province of Quebec is announced by the Great-West Life Assurance Co. Changes are being made which create new branch office divisions in Montreal City and Montreal Country, and establish another branch office at Quebec City, until now a district office.

In the new Montreal City branch Charles F. Hohlstein will be in charge, while Paul Girard will now be branch manager for Montreal Country and Albert Daoust, formerly district manager, becomes full branch manager in Quebec City.

Mr. Hohlstein is a new-comer to the Great-West Life but not to the life insurance business, as he has served as a branch manager for one of the large American companies in both Canada and the United States. Mr. Daoust and Mr. Girard have been with the Great-West Life for many years and are well known in their respective districts.

Geo. B. Foster, K.C., Elected Director of Travelers' Cos.

George B. Foster, K.C., of Montreal, has been elected to the boards of directors of The Travelers Insurance, The Travelers Indemnity Co. and The Travelers Fire Insurance Co., succeeding his father, the late Senator George Green Foster, K.C.

Mr. Foster, who was born at Montreal in 1897, graduated from McGill University in 1920 and was created a King's Counsel ten years later. He is a member of the Montreal law firm of Foster, Place, Hackett, Mulvena, Hackett and Foster and succeeded his father as legal agent of the Travelers' companies for Canada.

Increased Sales Recorded

Increased production is reported for November over the same month last year by the Great-West Life branches at Vancouver, Nova Scotia, Saskatoon, Michigan and Minnesota.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Ontario Equitable

Can you give me some information regarding the Ontario Equitable Life Insurance Co. especially as to why its shares are selling at such a low figure and also some idea as to what are the company's future prospects?

Ontario Equitable Life has a good record as a rapidly growing young life insurance company, selling entirely non-participating insurance. From a shareholder's point of view, however, its record has not been so satisfactory, particularly as thousands of dollars worth of stock has been sold in the past three or four years at a high premium with the result that the company now has outstanding capital of over $6,700,000 on which $674,000 has been paid up and the remainder, as you are aware, remains as a liability to shareholders which is an important point to be considered by anyone purchasing the shares of a life insurance company which are not fully-paid up. The usual custom, if the company prospers over a period of years is to pay up this unpaid capital out of surplus earnings. On the other hand, if the company gets into difficulties at any time, shareholders are liable to a "call," while capital remains unpaid on shares outstanding.

One reason the company has been able to make such a good showing in recent years, is that it has received through premium on capital stock something over $1,200,000 which has been added to surplus account and which has enabled the company to pay dividends to shareholders and to prevent what would otherwise have been a substantial drain on the company's surplus and assets.

From now on, however, the company should be in a position to make an underwriting profit on its life insurance business, as it has been in business 11 years now, and at the end of 1930 had nearly $54,000,000 of business on its books, including reinsurance. Being a non-participating company all profits accrue to shareholders which is an important consideration in favor of Ontario Equitable shares.

In all probability, current weakness in the company's shares is a reflection of the fact that a great number of insurance companies, in Canada and the United States, have suffered heavy losses in their investments through the depreciation in market value of bonds and shares held. We have no specific information as to how this situation has affected Ontario Equitable, but it has in all probability made considerable inroads into surplus. Some relief is expected, however, by way of allowing such companies to value assets on a more satisfactory basis, than the usual December 31 valuation, which has been used in the past.

As to management, we believe the company is in good hands and the company's position and outlook has been strengthened in this respect by recent changes in executives and officers.

Employers' Appoints New Ontario Managers

Employers' Liability Assurance, and The Merchants' Marine Co., of London, announce the appointment of Stanley G. Reid as manager for Ontario, with offices in Toronto; and John Fanning as assistant-manager.

Mr. Reid first entered the Employers' as a junior in 1903, rising to the position of casualty superintendent, while Mr. Fanning's service dates from 1915, he at present being manager of the fire department in Toronto.

PLANNING YOUR ESTATE

CHARTERED TRUST AND EXECUTOR COMPANY believes you owe it to your family to obtain expert advice in planning your estate. Without such advice it may be that your family will not have the protection you anticipate. Ask your Insurance Advisor how that protection can be guaranteed—he has a fundamental knowledge of estate problems.

The services of Chartered Trust and Executor Company are always available to you.

CHARTERED TRUST AND
EXECUTOR COMPANY
34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.

President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.
Secretary: E. W. McNEILL

ENVELOPES
MACHINE OR HAND MADE
PRINTED OR PLAIN
TORONTO ENVELOPE CO., LTD.
366 ADELAIDE ST. WEST
TORONTO 2

NEWS on the trend of trade in Canada page 7

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)

Capital (fully paid) £ 3,780,192
Reserve Fund £ 3,780,926
Deposits £49,416,177

General Manager
Sir Alexander K. Wright, K.B.E., D.L., LL.D.

TRADE WITH GREAT BRITAIN

The ramifications of the Bank throughout Great Britain and the entire World enable it to handle every description of British, Colonial and Foreign Banking business.

LONDON—City Office:
3 Bishopsgate, E. C. 2
Head Office:
EDINBURGH
247 BRANCHES IN ALL
Affiliated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

BRITISH CANADIAN INSURANCE COMPANY
FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1917

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Reserves—$36,827,055.00 Surplus—$2,680,759.27

Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

ORGANIZED · 1884
DOMINION LICENSE
LOWER RATES
Non-Assessable POLICIES
Assets Exceed $1,500,000.00
PROMPT SETTLEMENTS
Reinsurance With LLOYDS, England
ISSUING POLICIES COVERING
FIRE - BURGLARY
AUTOMOBILE
PLATE GLASS
WINDSTORM
SPRINKLER LEAKAGE
OFFICES: PORTAGE LA PRAIRIE MONTREAL TORONTO REGINA VANCOUVER
THE PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY

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INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay street, (First Floor) Toronto, 2 Elgin: 5101-5102-5103 5104-5105-5106

Editorials that inform
Have you read them
this week on page 6?

Woods Manufacturing Company, Limited

Jute and
Cotton Bags
Hessians, Buckrams
Paddings and
Twine

Tents
Flags
Tarpaulins
Clothing and
Cotton Fabrics

FACTORIES AT
MONTREAL, TORONTO, OTTAWA,
WINNIPEG, WELLAND

HEAD OFFICE
MONTREAL

DOMINION TEXTILE CO., LIMITED

PRUE COTTONS

MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES

MONTREAL TORONTO WINNIPEG VANCOUVER

Atlantic Sugar Refineries
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Lantic Sugar

General Offices
485 McGILL STREET
MONTREAL

Refineries - Saint John, N. B.

Dominion Bridge Co.
LIMITED
Montreal, P.Q.

Engineers, Manufacturers and
Erectors of Steel Structures

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Lachine Locks, P.Q.
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Amherst Ottawa Toronto
Winnipeg Calgary Vancouver

Sales Offices
Montreal Ottawa
Toronto Winnipeg
Calgary Regina
Edmonton Vancouver

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YOU may be getting good printing — we mean good paper, good presswork, and all that — but mere printing, no matter how high the quality, is not sufficient to sell your product today. It's the *plus* element in printing that creates sales.

MacLean's can give you high class printing —

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Plus a humanized, dramatized appeal that forces interest — that produces sales.

Plus the creative service of internationally known experts.

Plus a 100% service from idea to finished production, including analysis, plan, copy, design, art, engravings, printing and mailing.

It's the plus element in MacLean's printing that makes it different — that makes it sell.

Direct Advertising & Printing Division
The MacLean Publishing Company, Limited
143 University Avenue
TORONTO

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING DECEMBER 28

Range 1931 High	Low	Divd. Rate in $	Yield in % Dec. 26		Sales	Close Dec. 21 (or last)	Week Ending —Dec. 28— High	Low	Close
18¾	2½	.	...	Abitibi, c.	142	2⅞	3⅛	2½	2⅞
50	7	.	...	Do. pref.	170	9⅞	8	7	8
105	80	.	...	Do. pref.	....	80½	..	..	..
9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
7½	2½	.	...	Alta. Pac. Gr.	....	7	..	..	..
30	10½	.	...	Do. pref.	....	30	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	....	.25	..	..	..
2.00	.45	.	...	Do. pref.	....	2.00	..	..	..
9	5	60c	11.2	Assoc. Brew.	....	5¼	..	..	..
70¼	67	7	10	Do. pref.	....	70	..	..	..
10	3	.	...	Assoc. Can.	....	3	..	..	..
69	65	4+50	...	Assoc. Tele.	....	66	..	..	..
37½	12¾	.	...	Atlan. Sugar	....	22½	..	..	..
105	79¾	.	...	Do. pref.	....	92	..	..	..
175½	158¾	10	6.1	Bk. Can. Nat.	....	164¾	..	..	..
303	235	12	5.1	Bk. Montreal	....	235	..	..	..
326	284	16	5.6	Bk. N. Scotia.	....	284	..	..	..
238	213	12	5.6	Bk. of Toronto	....	213	..	..	..
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5¼	3	.	...	Bathurst Pr.	100	3¼	3	3	3
5	1	.	...	Do. (B)	....	1	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
20	10	1	10	Beatty Bros. A	....	10	..	..	..
80	60	6	10	Do. pref.	....	60	..	..	..
8½	3	.	...	Beauharnois	64	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	Do., pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅞	119	8	6.7	Bell Telephone	240	121	121¼	119	119
4½	2	.	...	Biltmore Hats	....	2	..	..	..
65	45	7	15.5	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	4	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	7	2	...	Blue Ribbon	5	9	7	7	7
39¼	27	3.25	12	Do. pref.	....	27	..	..	..
22½	14	2	11.6	Brant. Cd. pf.	10	17½	17¼	17¼	17¼
28½	7⅞	50c(d)	..	Brazilian Tr.	4152	11	11¼	10¾	10⅞
1.25	.25	.	...	Brewing Corp.	....	.50	..	..	..
7½	2½	.	...	Do. pref.	....	2¾	..	..	..
¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
16½	7⅞	80c	8.2	Brit. Amer. Oil	1703	10	10	9⅞	9¾
3¾	½	.	...	B.C. Packers	....	1¼	..	..	..
22	5	.	...	Do. pref.	....	5	..	..	..
42½	26	2	7.7	B.C. Power	26	26	26	26	26
18	7	.	...	Do. (B)	1	8⅜	8	8	8
2	1	.	...	B.E. Steel	....	1¼	..	..	..
21	18½	.	...	Do. 1st pref.	....	18¼	..	..	..
3½	1⅜	.	...	Do. 2nd pref.	....	2¾	..	..	..
8	4½	.	...	Bruck S. Mills	....	4½	..	..	..
26	15¼	2	11.1	Building Prod.	....	18	..	..	..
44½	29½	3	10	Burt, F. N.	....	30	..	..	..
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7⅞	2¼	.	...	Can. Bread	....	2¾	..	..	..
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	2	3.6	Do. pref. B.	....	55	..	..	..
13	7	1	12.5	Canada Bud	615	9	8½	7½	7¾
18¾	5	.	...	Can. Cement	125	6⅞	6⅞	6	6
96½	63	6.50	9.8	Do. pref.	14	67	66	65¼	66
b45	10½	1.20	10.7	Canada Dry	6100	12	11⅞	10½	10½
12	10	.	...	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.4	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
650	630	20	...	Canada Life	....	630	..	..	..
16¼	10¾	1.50	12	Can. Malting	155	12½	12½	12¼	12¼
25⅛	15	80c	4.1	Can. Nor. Pr.	....	19¼	..	..	..
107	104	7	6.6	Do. pref.	....	106	..	..	..
6	⅜	.	...	Can. Paving	....	⅜	..	..	..
51	10⅛	.	...	Do. pref.	....	10½	..	..	..
216	190	12	6.3	Can. Perman.	....	190	..	..	..
4.50	.50	.	...	Can. Pr. & Pa.	....	.60	..	..	..
9	3	.	...	Can. Steamsh's	....	3	..	..	..
27	8	.	...	Do. pref.	....	9	..	..	..
20	14	1.60	11.4	Can. Vinegar	155	14½	14	14	14
70	54½	4	6.5	Can. W. Cable	....	61	..	..	..
30½	20	1	4.8	Do. (B)	....	20¾	..	..	..
16	9⅞	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	.	...	Do. pref.	....	31	..	..	..
232	196	12	6.1	Can. Bk. Com.	3	196	196	196	196
36½	19	1.25	6.6	Can. Bronze	....	19	..	..	..
110	102	7	6.9	Do. pref.	....	102	..	..	..
13¼	8	20c	2.5	Can. Canners	....	8	..	..	..
92½	80	6	7.5	Do. 1st pfd.	....	80	..	..	..
14	8½	68c	7.5	Do. 2nd pref.	....	9	..	..	..
19	4¾	1	14.3	Can. Car & F'y	184	7	7	6¾	6¾
25½	14⅞	1.75	11.3	Do. pref.	186	15¼	15½	15	15
14½	6	.	...	Can. Celanese	....	6½	..	..	..
73½	59	7	10.8	Do. pref.	....	65	..	..	..
58	30	4	13.3	Can. Convert.	....	30	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	11.8	Do. pref.	....	51	..	..	..
36½	12	.	...	Can. Dredge	485	14	14⅜	13	13
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅞	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¾	.	...	Can. For. Inv.	....	6	..	..	..
80	70	8	10.4	Do. pref.	....	77	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	54	3.50	6.3	Do. pref.	30	54⅞	55½	54½	55
80	52	6	9.1	Can. Hyd. E. p.	10	66	66	66	66
5¼	1¼	.	...	Can. Ind. Alc.	164	1¼	1⅜	1¼	1¼
3½	⅜	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	....	65	..	..	..
42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
18	1	.	...	Can. Locomo.	....	1	..	..	..
25	5	.	...	Do. pref.	....	5	..	..	..
b4½	¾	.	...	Can. Marconi	4000	1	1	⅞	⅞
23½	9	1	10	Canadian Oil	50	10	10	10	10
120	95½	8	8	Do. pref.	....	100	..	..	..
45½	12¼	1.25	..	Can. Pacific	5577	14¾	15¼	13½	14
6¼	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2¼	.	...	Can. Vickers	....	2¼	..	..	..
35	16	.	...	Do. pref.	....	20	..	..	..
6	2	50c	...	Can. Wineries	....	2½	..	..	..
16	6	1	14.3	Can. Wire Box	....	7	..	..	..
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+2	4.7	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	10c	...	Chem Research	2900	2.06	2.00	1.70	2.00
20.25	6.00	30c(c)	...	Cities Service	20	8.50	6.00	6.00	6.00
10	3	.	...	Cockshutt Plow	275	5	5	4⅛	4¼
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	3	.	...	Conduits	....	3½	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12¾	6¼	1	13.6	Cons. Bakeries.	25	8	7⅞	7¼	7¼
3	⅛	.	...	Cons. Food Pr.	....	½	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅜	5	80+20c	16.6	Cons. Indust.	25	5½	6	5½	5½
5	5	.	...	Consol. Paper	....	5	..	..	..
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	50	7	14	Cons. Sand. pf.	....	50	..	..	..
188¼	64	2.50†	3.78	Cons. Smelters	861	71	72	65	66
188	163	10	6.1	Consumers Gas	5	167	165	165	165
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20¼	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3¼	1	.	...	Cosgrave Br.	....	3¼	..	..	..
9	3	.	...	Cosmos Imp.	....	4	..	..	..
93	65	7	10.8	Do. pref.	....	65	..	..	..
6½	2	.	...	Crown Dom. Oil	60	3	3	3	3
15	8½	3	...	Crow's N. Coal	....	10½	..	..	..
5	3	.	...	David & Fre. B	....	3	..	..	..
12½	12¼	.	...	De Havilland	....	12½	..	..	..
9	5	.	...	Disher Steel	....	5	..	..	..
10	10	1.50	15	Do. pref.	....	10	..	..	..
12⅞	5	1	17.4	Distill-Seagram	275	5¼	5⅞	5¼	5¼
223	204	12	5.9	Dominion Bank	....	204	..	..	..
55¾	27	3	11.1	Dom. Bridge	500	27	27	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	....	20	..	..	..
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	5	6.1	Dom. Glass	....	82	..	..	..
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron. pf.	....	20	..	..	..
11⅞	2¼	40c	16	Dom. Motors	35	2¾	2½	2½	2½
14	9	.	...	Dom. Pr. Stubs	....	9	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8¼	1	.	...	Dom. St. & C.B.	905	2	2	2	2
24½	13½	1.20+30c	8.4	Dom. Stores	220	14¼	18	17½	17½
14	5	.	...	Dom. Tar & Ch.	....	5	..	..	..
95	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
83	63	5	7.9	Dom. Textile	....	63¼	..	..	..
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	1¼	.	...	Dryden Paper	....	2	..	..	..
7½	3	.	...	Duff. Paving	....	5½	..	..	..
80	68	7	10.3	Do. pref.	....	68	..	..	..
25¼	16	1	5	East. Dairies	....	20	..	..	..
20	16	50c	...	East. Steel	....	16	..	..	..
100	97	7	7.1	Do. pref.	....	98	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94½	7	7.3	Do. pref.	....	96	..	..	..
x34	28¾	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3⅜	3⅜	.	...	Easy Washer	....	3¾	..	..	..
37	34½	1.75	4.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	20	3	15	Eng. Electric	....	20	..	..	..
16	2	.	...	Do. (B)	....	2½	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	8	1	10	Fanny Farmer	45	8	10	10	10
34	27	2.40	8.9	Do. pref.	....	27	..	..	..
x25	10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	10¼	.	...	Ford Motors A	772	11	11½	11	11¼
15	5	.	...	For. Pr. Secs.	....	5	..	..	..
16½	8⅛	1	11.1	Foundation Co.	....	9	..	..	..
3	⅛	.	...	Fraser Cos.	529	1	1	1	1
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	8.2	Do. pref.	....	85	..	..	..
7½	1½	.	...	Gen. St. Wares	115	2¼	2½	2¼	2¼
119	70	5	6.2	Goodyear Tire.	....	80	..	..	..
107⅞	85	7	8	Do. pref.	30	87¼	87	85	85
93½	93½	7	7.5	Gould Pumps p	....	93⅛	..	..	..
⅛	6	.	...	Gt. W. Saddlery	....	⅝	..	..	..
		.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.	....	21	..	..	..
12⅞	5	.	...	Gypsum, Lime	115	5½	5	5	5
20¼	6½	.	...	Ham. Bridge	....	7	..	..	..
80	63	6.50	10.1	Do. pref.	....	64	..	..	..
19	8	.	...	Ham. Cot., pf.	....	8	..	..	..
4½	1	.	...	Ham. U. Theat.	....	1	..	..	..
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	3½	.	...	Hayes Wheel	....	3½	..	..	..
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	1	.	...	Hinde & Dauch	....	1½	..	..	..
75	75	.	...	Holt Renfrew	....	75	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	....	[illegible]	..	..	..
59	40	7	17.5	Do. pref.	....	40	..	..	..
6	2½	.	...	H. Smith Pap.	....	[illegible]	..	..	..
45	30	.	...	Do. pref.	....	[illegible]	..	..	..

Range 1931 High	Low	Divd. Rate in $	Yield in % Dec. 26		Sales	Close Dec. 21 (or last)	Week Ending —Dec. 28— High	Low	Close
22	15	2.40	11	Humberstone S	....	21½	..	..	..
23¼	17	1.40+50	11	Hunt (A)	....	17	..	..	..
23¼	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	144	..	..	..
29¼	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅝	13¼	.	...	Hydro Electric	....	14	..	..	..
225	201	12	5.9	Imperial Bank	....	203	..	..	..
18¾	8½	50+50c	10	Imperial Oil	4363	9⅞	10⅛	9⅞	9⅞
10½	8⅜	35+20c	6.2	Imperial Tob.	60	8⅞	8⅞	8⅞	8⅞
80	80	8	10	Inter. Coal, p.	3	80	80	80	80
29	9½	2a	...	Int. Hyd. E. A	506	13	9¼	9⅛	9¼
103	92	7	7.3	Inter. Mill., pf.	....	96	..	..	..
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	8¼	20c	2.10	Inter. Nickel	3059	10	10	9¼	9½
10	5	.	...	Inter. Paints	....	5	..	..	..
b10	1⅜	.	...	Int. P. & P. A	4400	2¼	2	1⅞	1⅞
b6	½	.	...	Do. (B)	....	½	..	..	..
b4½	½	.	...	Do. (C)	1500	1	¾	..	..
b43½	6¼	.	...	Do. pref.	3300	8	8	6¼	6⅞
15½	8½	1	9.1	Inter. Pete.	3546	11	11	10¾	11
8	5	.	...	Inter. Power	....	5	..	..	..
73	56¼	.	...	Do. pref.	....	57	..	..	..
45	5	.	...	Int. Util. (A)	60	8	8	8	8
11	1¼	.	...	Do. (B)	100	2¼	2	2	2
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	99¾	7	7	Do. pref.	....	100	..	..	..
5¼	2⅜	.	...	Kelvinator	....	3	..	..	..
90⅜	73¼	7	7.8	Do. pref.	....	90	..	..	..
x40	40	.	...	Kng. Ed. Hotel	....	..	..	..	..
24	5	.	...	Lake of Woods	....	6	..	..	..
101	82	.	...	Do. pref.	....	85	..	..	..
140	140	8	5.7	Landed Bank.	....	140	..	..	..
46	33	3	8.6	Laura Secord	55	37	37	35	35
16	8⅜	1	10	Lindsay, C. W.	....	10	..	..	..
72½	65	6.50	9.7	Do., pref.	....	67	..	..	..
14¾	9½	80c	7.8	Loblaw (A)	50	10	10¼	10	10¼
14¾	9	80c	8	Do. (B)	....	10	..	..	..
x2⅜	2¼	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
10½	4⅝	.	...	Maple Leaf	....	4⅝	..	..	..
.40	10	.	...	Do. pref.	....	20	..	..	..
35	30	.	...	Do. pref. (B)	....	30	..	..	..
38	30	.	...	Marcus Loew's	....	38	..	..	..
73	70	.	...	Do. pref.	....	73	..	..	..
10½	1⅜	.	...	Massey-Harris	255	4	4	3⅞	4
22½	9⅞	60c	6.1	McColl Fron.	2	9⅞	9⅞	9⅞	9⅞
80	69¼	6	7.9	Do. pref.	....	76	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58¼	.	...	Do., pref.	....	..	..	..	..
40½	40	2	5	Mitchell, J. S.	....	40	..	..	..
105	104	7	6.7	Do. pref.	....	105	..	..	..
20	8	1	12.5	Mitchell, Robt.	65	8	8	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do., pref.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.	....	92	..	..	..
102	98	7	7	Do. pref.	....	100	..	..	..
3⅛	2	.	...	Montreal Exhib.	....	2¾	..	..	..
20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
68¼	38	1.50	3.9	Mont. L. & P.	944	38	38	38	38
49¼	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.3	Montreal Tele.	....	51	..	..	..
177	150	10	6.4	Mont. Trams.	....	155	..	..	..
17⅞	8½	1	11.1	Moore Corp. c.	....	8¼	..	..	..
108½	95	7	7.2	Do. (A)	....	97¼	..	..	..
126	97¼	7	7.2	Do. (B)	....	97¼	..	..	..
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3¼	2	10c	...	Muirheads	....	2	..	..	..
10	6	75c	8.3	Do. pref.	....	9	..	..	..
35⅞	23½	1.60	6.7	Nat. Brew.	5	24	24	24	24
35	27	1.75	5.6	Do. pref.	....	31	..	..	..
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16	Nat. Steel Car	95	12½	12½	12½	12½
360	250	14	5.6	National Trust	....	250	..	..	..
13	10	1	10	Niag. W. Weav.	10	10⅛	10	10	10
86	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.75	..	..	..
4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
x25	22¼	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.3	Ogilvie Flour	....	185	..	..	..
130	116⅞	7	6	Do. pref.	....	117	..	..	..
21	7	60c	8.6	Ont. Eq. 10% p	....	7	..	..	..
120	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1¼		.	...	Orange Crush	....	¾	..	..	..
60	45	7	15.6	Do. (A)	....	45	..	..	..
5½	1	.	...	Do. (B)	....	1	..	..	..
110	90	6	5.7	Ott. L. H. & Pr	....	105	..	..	..
105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	7.2	Page Hersey	10	69½	69½	69½	69½
49	21½	2.50	...	Paramount	....	21⅜	..	..	..
35	30	.	...	Paton Mfg.	....	30	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¼		.	...	Pelissiers	....	¼	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
73	31	.	...	Penmans	....	33	..	..	..
101	93	6	6.2	Do. pref.	....	97	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	16½	2	12.1	Photo Eng.	....	16½	..	..	..
40	10	.	...	Port Alfred. pf.	....	19	..	..	..
70	64	7	10	Porto Rico P. p	....	70	..	..	..
b39½	4	.	...	Postal Tele.	....	..	..	..	..
63½	35¼	2	5.5	Power Corp.	....	36½	..	..	..
102	94	6	6.2	Do. pref.	....	97	..	..	..
4½	2⅜	.	...	Prairie C. Oil	....	2½	..	..	..
16	7½	25c	3.3	Pressed Metals	20	10	7½	7½	7½
42⅞	25	.	...	Brice Bros.	....	25	..	..	..
99	70	6.50	9.3	Do. pref.	....	70	..	..	..
49	27	2	6.9	Quebec Power	5	29	29	29	29
110	105	7	6.7	Real Estate Ln.	....	105	..	..	..
3	1	.	...	Regent Knit.	....	1	..	..	..
10	5½	.	...	Reliance Grain	....	9	..	..	..
16	9	2	17.7	River. S. Mills	....	11	..	..	..
19¼	10	1.50	15	Robinson Cone	....	10	..	..	..
16½	9	.	...	Rogers Majest.	....	9	..	..	..
291	231	12	5.2	Royal Bank	....	231	..	..	..
81	75	.	...	Ruddy, E. L. p.	....	75	..	..	..
77⅞	32	2	5.7	Russell Motor	....	35	..	..	..
95	72¾	7	9.6	Do. pref.	....	72¾	..	..	..
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36⅞	5¼	.	...	Serv. Stn. Eq.	340	6	5½	5½	5½
90½	46	6	13	Do. pref.	....	46	..	..	..
59¼	32½	2	6.1	Shawinigan	1	33	33	33	33
30	20	1.60	6.7	Sher.-Wms.	....	24	..	..	..
120	112	7	6.1	Do. pref.	....	115	..	..	..
22	14	2.50	14.7	Simon & Son	....	17	..	..	..
92	88⅜	7	7.7	Do. pref.	....	91	..	..	..
92½	55	6.50	11.8	Simpsons Ltd.	2	55	55	55	55
44½	36	.	...	Do. (A)	....	36	..	..	..
35¼	24¼	.	...	Do. (B)	....	29	..	..	..
108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
4	¼	.	...	St. Law. Corp.	230	1	1	1	1
12	2¼	.	...	Do. (A)	....	4	..	..	..
20	16	.	...	St. Law. Flour	....	16½	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30¼	10	.	...	St. Law. Pap. p.	....	10½	..	..	..
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	3.4	South. Can. Pr.	5	29	29	29	29
106¼	104	6	5.7	Do. pref.	....	105¾	..	..	..
16⅛	2¼	.	...	St. Pav. & Mat	20	2½	3	3	3
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	....	5	..	..	..
9⅞	2¼	.	...	Stand. Steel	....	2¾	..	..	..
35	30	3	10	Do. pref.	....	30	..	..	..
42¼	21	1.75	7.9	Steel of Can.	815	23	22	21⅞	22
37	28¾	1.75	6	Do. pref.	90	29	29	29	29
4½	2⅛	.	...	Sterling Coal	....	2¼	..	..	..
32½	12¾	1	6.4	Super. Pet. ord.	35	[illegible]	15¼	15¼	15½
105	94	7	7.4	Do. pref.	5	97	95	95	95
31	14	1	6.7	Do. com.	....	15	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	95	7	7.1	Do. pref.	....	98	..	..	..
30	17	3.50	19.4	Thayers, pref.	....	17	..	..	..
13	6½	.	...	Tip Top Tailors	....	7	..	..	..
90	77	7	8.4	Do. pref.	....	83	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	48¼	.	...	Do. pref.	....	48¼	..	..	..
15	9½	.	...	Tor. Elevators	....	11	..	..	..
235	210	12	5.6	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	....	110	..	..	..
3	1	.	...	Traymore	....	1¼	..	..	..
12½	7	.	...	Do. pref.	20	7	7	7	7
126	120	7	5.5	Tuckett Tob. p.	....	128	..	..	..
17¼	2½	.	...	Twin City	60	4	3⅞	3½	3½
162	13	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	35	..	..	..
16	4⅞	1	18.1	Union Gas.	30	5	5⅞	5½	5½
101½	98	7	7	Union Trust	....	100½	..	..	..
8	3	.	...	United Fuel	....	6½	..	..	..
65	10	.	...	Do. pref.	30	20	17	10	17
62½	40	2	5	United Secs.	....	40	..	..	..
24¼	8¼	.	...	Viau Biscuit	....	9½	..	..	..
85	70	7	10	Do. pref.	....	70	..	..	..
30	10	.	...	Wabasso Cot.	....	14	..	..	..
8½	2⅜	25c	9.1	Walker-Good.	3615	2¾	2¾	2¾	2¾
7⅞	2	.	...	Waterloo Mfg.	....	2½	..	..	..
45	30	1	2.6	Weston Bisc.	....	38	..	..	..
90	79	7	8.9	Do. pref.	....	79	..	..	..
17½	6½	.	...	West. C. Flour	25	8	8	8	8
96	70	6.50	9.3	Do. pref.	....	70	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	....	40	..	..	..
91	85	.	...	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21¼	4	.	...	Winnipeg Elec.	25	5¼	5⅞	5⅞	5⅞
81½	49	.	...	Do. pref.	....	50	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	.	...	Wood, Alex. J. p	....	80	..	..	..
x2¼	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

December 29, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.60
Acadia Sugar pfd	2.00	3.00
Allens Coll. pfd.	30.50	....
Allens Lond. pfd.	30.50	....
Andian N. Corp.	20.00	25.00
B. C. Pulp & Paper c.	1.50	4.00
B. C. Pulp & Paper 7% pfd.	19.00	....
Can. Biscuit pfd.	....	8.00
Can. & Dom. Sugar com.	17.00	19.00
Can. Machy. c.	5.25	7.50
Can. Machy. 7% pfd.	22.00	32.00
Can. Packers c.	11.50	15.50
Can. Packers 7% pfd.	81.00	88.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	55.00	....
Can. Wire & Cable pfd. W.W.	86.00	94.00
Can. Celanese pfd.	55.00	....
Can. Indus. c. 'A'	74.00	....
Can. Indus. c. 'B'	74.00	....
Can. Industries 7% pfd.	109.00	115.00
Can. Westinghouse	50.00	58.00
Chase, A. W. Units	30.00	36.00
Cons. Oka Sand & Gravel pfd.	50.00	....
Copeland Flour 6% pfd.	....	9.50
Dodge Mfg. 'A' pfd.	5.00	...
Dodge Mfg. 'B' com.	.50	...
Dom. Foundries & Steel pfd.	52.00	58.00
Dom. Foundries & Steel com.	5.00	7.00
Dom. Manuf. pfd.	70.00	....
Dunlop Tire 7% pfd.	60.00	80.00
East. Car 6% pf.	42.50	....
Fed. Grain pfd.	20.00	29.00
Goderich Elev. & Transit	14.00	15.75
Greening Wire 7% pfd.	80.00	88.00
Guar. Realty pf.	35.00	41.00
Guelph Carpet Units	69.00	....
Harding Carp. pfd.	....	57.00
Inter City Baking com.	35.00	45.00
Internat. Prop. 'A'	....	27.00
Loew's London c.	.50	1.75
Loew's Lon. 7% pf.	3.00	5.00
M. & P. Stores pf.	....	95.00
Massey-Harris pf.	10.00	15.00
Morrow Screw Nut 7% pf.	94.00	98.00
Mount Royal Hotel Scrip	.50	1.50
Mount Royal Hotel com.	1.00	2.50
Mount Royal Hotel 6% pfd.	9.50	13.00
Nat. Grocers com.	.75	1.60
Nat. Grocers 2nd 7% pfd.	40.00	49.00
Paramount Oshawa, com.	8.00	12.00
Prov. Paper pfd.	55.00	65.00
Rolland Paper pfd. W. W.	34.00	....
Standard Clay Products com.	10.00	25.00
Standard Fuel pf. bonus	58.00	65.00
Supertest Petrol. 'B' pfd.	16.50	....
Toronto Brick pf.	40.00	60.00
Tor. Carp. com.	112.50	....
Tor. Carp. 8% pf.	98.25	....
Tor. Elev. 7% pf.	60.00	70.00
Tor. Hous. com.	20.00	30.00
United Amuse. 'A'	14.00	....
West. Grain pfd.	20.00	25.00
Willards Chocolates pfd.	25.00	40.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assur.	460.00	510.00
Can. Nat. Fire	19.00	25.00
Can. Fire Ins.	76.00	85.00
Capital Life 20% pd.	10.00	16.00

	Bid	Asked
Confederation Life 20% pd.	160.00	200.00
Continental Life 20% pd.	69.00	74.00
Crown Life	120.00	150.00
Dom. Fire	90.00	120.00
Dom. of Can. Gen. Ins.	160.00	210.00
Dominion Life 50% pd.	265.00	350.00
Excelsior Life 80% pd.	100.00	122.50
Federal Fire 25% pd.	23.00	...
Fidelity Insur. of Canada	....	72.00
Great West Life	370.00	412.50
Guarantee Co. of N. A.	240.00	....
Halifax Fire	9.00	14.00
Imperial Life	315.00	395.00
Manufac. Life	285.00	315.00
Monarch Life 10% pd.	18.00	25.00
National Life 25% pd.	115.00	127.00
Saskatchewan Life 10% pd.	9.50	15.00
Sovereign Life 25% pd.	25.00	30.00
Sun Life Assur.	440.00	560.00
West. Assur. Co.	23.00	30.00
Western Life 20% pd.	7.00	....
Trust & Loan Stocks:		
Br. Mtge. & Tr.	156.00	....
Can. Gen. Investments Ltd.	4.00	6.00
Chartered Trust	97.00	110.00
Debenture & Sec. com.	....	40.00
Debenture & Sec. pfd.	....	50.00
Eastern Can. Sav. & Loan	115.00	135.00
Eastern Trust	130.00	155.00
Guelph & Ont. Inv. Par $50	50.00	57.00
Investment Founda'n Units	21.00	...
Lambton Loan & Savings	76.00	....
London & West. Trust	104.00	122.00
Midland Loan & Savings	16.75	....
Mtge. Disct. pfd.	3.50	4.50
Mutual Finance pf.	3.50	5.75
Mutual Finance c.	3.50	5.75
Premier Trust	68.00	....
Security Loan & Savings	100.00	120.00
Sherbrooke Tr.	108.00	...
Sterling Trust	...	90.00
Trad. Finance pf.	35.00	45.00
Trad. Finance c.	....	3.00
Trusts & Guar.	....	72.00
Victoria Trust & Savings	161.00	....
Waterloo Trust & Savings	115.00	130.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	97.50	101.00
Calgary Pwr. pfd	70.00	80.00
Can. Light & Power c.	20.00	28.00
Can. West. Nat. Gas LH&P c.	19.00	....
Can. West. Nat. Gas LH&P pfd	69.00	76.00
Great Lakes Pwr. pfd.	....	86.00
N.B. Pwr. 1st pf.	44.00	56.00
N.B. Tel. c.	10.00	14.00
N.S. L&P pfd.	....	82.00
Ottawa LH&P 6½% pfd.	....	103.00

Recent London Quotations:
Brewer Distillers .... 2s.
Can. & For. Sec. .... 7s. 6d.
Can. West. Lumber .... 1s. 6d.
Hudson's Bay .... 22s. 6d.
Do., 5% pfd. .... 65s.
Internat. Holdings $1
Nfld. Pr. & Pap deb. stk. 95
Trust & Loan of Can. (15s. pd.) .... 5s.

Active Current Bond Prices

December 21, 1930

	Bid	Asked	Yield
Dominion of Canada 5½/33	99¼	100¼	5.35
Dominion of Canada 5½/34	98¾	99¼	5.77
Dominion of Canada 5/43	97½	98¼	5.19
Dominion of Canada 4½/46	90.	91.	5.41
Dominion of Canada 4½/56	87½	88½	5.33
Dominion of Canada 4½/58	89½	90½	5.28
C. N. R. (Dom. of Can. Guar.) 5/54	93.	94.	5.47
C. N. R. (Dom. of Can. Guar.) 4½/51	90.	91.	5.23
C. N. R. (Dom. of Can. Guar.) 4¾/55	91	92.	5.35
C. N. R. (Dom. of Can. Guar.) 4½/56	89.	90.	5.23
C. N. R. (Dom. of Can. Guar.) 5/69	97.	97¼	5.14
Province of Ontario 4½/44	91.50	92½	5.33
Province of Ontario 5/48	95	96.50	5.35
Province of Ontario (Hydro) 4½/70	88.	90.	6.37
Province of Quebec 4½/56	90.	93.	5.00
Abitibi Power & Paper 5/53	25.	.30	....
Argentine Gov't. (Ser. B) 6/58	43.	45.	....
Beauharnois Power 6/59	58.	63.	10.60
Bell Telephone Co. of Canada 1st, 5/57	100.	105.	4.65
Brazil, U. S. of, Ext. S. F. 6½/57	14.	15.50	....
British Columbia Power 5/60	78.	83.	6.30
British Columbia Power 5½/60	85.	89.	6.35
British Columbia Telephone 5/60	87.	93.	5.50
Calgary Power 5/60	78.	83.	6.30
Calgary Brewing 5/42	98.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	85.	90.	6.52
Canada Gypsum Lime & Alabastine 5½/48	62.	70.	9.15
Canada Northern Power Corp. 5/53	77.	84.	6.40
Canada Steamship Lines 1st & Gen. 6/41	30.	40.	....
C. P. R. Collateral Trust 5/54	82.	86.	6.15
C. P. R. Secured 4½/44 Notes	80.	84.	6.45
Chile Republic Ext. S. F. 6/60	10.125	11.25	....
Colombia Republic Ext. S. F. 6/61	22.50	23.50	....
Davies, Wm. 6/42	85.	90.	7.40
Dominion Canners 6/40	100.	104.	5.45
Dominion Square Corporation 6/48	60.	70.	9.00
Dominion Tar & Chemical 6/49	73.	77.	8.12
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st, 6/66	86.	94.	6.45
Eastern Dairies, Ltd., Conv. 6/49	88.	98.	6.20
Eaton, T. Realty 5/49	83.	88.	6.10
Famous Players 6/48	65.	75.	9.00
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	65.	80.	8.12
Fraser Companies 6/50	35.	45.	....
Gatineau Power, 1st Mtge. 5/56	77.	81.	6.55
Gatineau Power, S. F. Debs., 6/41	68.	73.	10.41
General Steel Wares 6/52	30.	40.	....
Howard Smith Paper Mills 5½/53	58.	65.	9.25
Harris Abattoir 6/47	90.	95.	6.50
Manitoba Power, 1st S. F. 5½/51	70.	78.	7.62
Maple Leaf Milling 5½/49	70.	78.	7.80
Massey-Harris, 1st Mtge. 5/47	66.	72.	8.30
MacLaren Quebec Power 5½/61	75.	85.	6.65
Montreal Coke, 1st S. F. 5½/47	92.	98.	5.70
Montreal Island Power 5½/57	87.	91.	6.22
Montreal Light, Heat & Power 5/51	100.	104.	4.65
Montreal Tramways, 1st Coll. Trust 5/41	90.	95.	5.65
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	77.	83.	6.40
Moodie, J. R. 6/48	90.	95.	6.50
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	57.	63.	9.80
Ottawa Valley Power 5½/70	87.	92.	6.10
Power Corporation of Canada 4½/59	65.	75.	6.45
Price Bros. 1st S. F. Ser. "A" 6/43	70.	75.	9.50
Quebec Power 1st Mtge. Coll. S. F. 5/68	90.	95.	5.30
Shawinigan Water & Power 4½/70	80.	85.	5.45
Shawinigan Water & Power 5/70	97.	100.	5.00
Simpsons 6/49	77.	85.	7.50
Southern Canada Power 1st. 5/55	93.	100.	5.00
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	86.	90.	5.75
Windsor Hotel 6½/43	94.	100.	6.50
Windsor Hotel 6/47	88.	94.	6.60
Winnipeg Electric 5/35	92.	100.	5.00
Winnipeg Electric 6/54	63.	70.	9.20

Listed Bond Quotations

Week Ending December 28

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	15.00	36	36	35¼	78	35¼
Asbestos	5	1942	...	†65	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	†14	...	...	20	14
Do., gen. mtge.	6	1956	...	14	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102¼	102¼
Can. Cottons	5	1940	6.48	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	†9	...	...	28¼	5
Do. (Way. Ser.)	5½	1958	...	†9	...	...	28¼	5
Can. S. S. deb.	5	1943	...	...	...	...	x98¼	...
Cedars Rapids	5	1953	4.92	†100	...	...	105	100
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	2.60	...	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70¼
Mont. L. H. & P.	4½	1932	...	...	...	...	x100	98⅜
Mont. Tr. 1st mtge.	5	1941	5.83	95	...	...	101½	90¼
Mont. Tr. "A"	5	1955	6.80	...	...	...	95¼	78¾
Mont. Tr. G. & R. "B"	5	1955	6.78	...	...	...	95⅛	78½
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	6.88	...	...	...	95¼	78
N. S. Steel	5	1959	...	...	...	...	62⅞	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅞	100
Do., "B"	6	1932	...	...	...	...	100⅞	100
Do., "C"	6	1932	5.73	...	...	...	100¼	...
Ont. Steel	6	1943	5.88	†100½	...	...	101	...
Porto R. Pr.	5	1936	7.95	...	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¼
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	41	...	...	106	...
Winn. Elec.	5	1935	5.40	91	...	...	99⅞	98¼
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.81	105.50	...	....	108.15	103.75
Victory Loan	5½	1933	5.30	100.25	...	....	105.25	99.75
Do.	5½	1934	5.78	99.25	98.38	....	105.30	98.38
Do.	5½	1937	4.60	104.75	104.25	....	112.40	104.25
Do., refund	4½	1940	5.45	93.50	....	....	102.12	94.00
Do., refund	5	1943	5.19	98.25	....	....	106.50	96.75
Do., refund	4½	1944	5.48	91.00	....	....	102.25	92.50
Do., refund	4½	1946	5.42	91.00	....	....	102.45	89.00
Do., renewal	5½	1932	5.17	100.25	....	....	103.00	99.85
Conversion Loan	4½	1956	5.24	88.50	....	....	102.00	91.00
Do.	4½	1957	5.40	88.50	....	....	102.75	91.65
Do.	4½	1958	5.29	90.50	....	....	104.65	88.37
Do.	4½	1959	5.34	90.50	....	....	104.70	89.00
Nat. Service Loan	5	1936	5.47	98.00	98.00	....	98.85	97.25
Do.	5	1941	5.26	98.00	98.50	....	98.63	96.63

†Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Winnipeg Grain Prices

Week to December 29

Crop Year from Aug. 14 High	Low		Open Dec. 23	High for week	Low for week	Close Dec. 29
		Wheat				
.72⅞	.51½	Dec.	.59	.59⅝	.57⅜	.59½
.76¼	.55¾	May	.62	.63⅝	.61¼	.62⅞
.77⅜	.61¼	July	.62⅞	.64⅛	.62¼	.63⅜
		Oats				
.36½	.25⅜	Dec.	....	.29⅛	.28	29¼
.38	.28	May	.31⅝	.32¼	.31	.32¼
.37½	.31⅜	July	.31½	.32⅜	.31⅜	.32⅜
		Barley				
.45½	.28½	Dec.	.38½	.38½	.37⅝	.37⅝
.47¾	.32¼	May	.40⅛	.40¼	.39	.39⅞
.45¼	.38¼	July	....	.39½	.38⅝	.39¼
		Flax				
1.27	.92½	Dec.	.97½	.99¼	.97	.99
1.21	.97¼	May	1.03	1.03¼	1.01¼	1.03¼
1.16½	1.00½	July	..	1.03½	1.02	1.03½
		Rye				
.56	.32¼	Dec.	.42½	.44¼	.42⅛	.44¼
.59⅛	.32¾	May	.45½	.47⅞	.45	.47⅞
.59	.43⅜	July	.46	.47¼	.45⅜	.47¼

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of December 29

High to date†	Low		Close Dec. 22	High for week	Low for week	Close Dec. 29
		Wheat				
.70½	.48	Dec.	.49	.51	.49½	.51
.72	.53¾	May	.54½	.55⅜	.54½	.55¼
.60⅞	.53¼	July	.54¼	.56	.55	.56

†Since trading opened March 3.

Winnipeg Stock Exchange

December 16, 1931

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	5¾	...
Can. Amer. Tr. shs.	..	4¼
Can. Fire Ins.	....	85
Can. Indemnity	120	..
Crescent Creamery pfd.	..	88
Gt. West Life	375	390
Home Investment	..	50

	Bid	Ask
Monarch Life	..	32
Nor. Can. Mtge. pf.	15	..
Nor. Can. Mtge. c.	½	..
Northern Trust	..	24
Un. Gr. Growers	12¼	..
West Breweries	2	..
Fund. Trust shs. 'A'	..	3¼
Do., "B"	..	4¼
Grouped Inc. Shs.	..	4.70

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Beatty Bros. 1st pfd.	6%	1½%	Feb. 1	Jan. 15
Do., com.	$1	25c	Feb. 1	Jan. 15
Bell Telephone	8%	2%	Jan. 15	Dec. 22
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 20
B. C. Power "A"	$2	50c	Jan. 15	Dec. 31
Canada Dry	$1.20	30c	Jan. 15	Dec. 31
Canadian Car, c.	$1	25c	Jan. 15	Jan. 2
Canada Bud Breweries	$1	25c	Feb. 29	Feb. 15
Can. Fairbanks-Morse pfd.	6%	1½%	Jan. 15	Dec. 31
Can. Cottons, pfd.	6%	1½%	Jan. 15	Dec. 31
Canada Northern Power	80c	20c	Jan. 4	Dec. 19
Do., pref.	7%	1¾%	Jan. 25	Dec. 31
Canadian Car, pref.	$1.75	44c	Jan. 15	Dec. 31
Consolidated Smelters	...	$1.25+5%†	Jan. 11	Dec. 26
Crescent Creamery, pfd.	7%	1¾%	Jan. 15	Dec. 22
Can. Bronze	$1.25	31¼c	Jan. 15	Dec. 31
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Canadian Dredge, pref.	7%	1¾%	Feb. 1	Jan. 20
Can. Industries pfd.	7%	1¾%	Feb. 1	.....
Do., com.	...	62½c+$1	Jan. 15	Dec. 31
Can. Light & Pr.	...	4%	Jan. 30	Dec. 31
Dominion Tar, pref.	6½%	1⅝%	Jan. 15	Dec. 31
Dome Mines	$1	25c	Feb. 1	Jan. 6
Dominion Textile, pref.	7%	1¾%	Jan. 20	Dec. 31
English Electric "A"	$3	75c	Jan. 15	Dec. 31
Eastern Theatres, pfd	7%	3½%	Jan. 15	Dec. 31
Foreign Pr. Secs. pfd.	6%	1½%	Jan. 30	Dec. 31
Foundation Co.	$1	25c	Feb. 15	Jan. 31
Guarantee of N. Amer.	...	3+5%‡	Feb. 15	Jan. 30
Granby Cons.	50c	12½c	Jan. 15	Dec. 31
Howe Sound	$2	50c	Feb. 1	Jan. 15
Hamilton Bridge, pfd.	6½%	1⅝%	Jan. 15	Dec. 31
Highland Dairy, pfd.	7%	1¾%	Feb. 1	Jan. 16
International Nickel, pref.	7%	1¾%	Jan. 2	Dec. 24
Inter. Utilities prior pfd.	$7	1¾%	Feb. 1	Jan. 2
Do., Series	$3.50	87½c	Feb. 1	Jan. 15
Do., pfd. 1931 Series	$1.75	43¾c	Feb. 1	Jan. 15
Imperial Bank	12%	3%	Jan. 15	Dec. 30
Inter. Hydro Elec. pfd.	$3.50	87½c	Feb. 1	Dec. 31
Do., Class "A"	$2	‡50c	Jan. 15	Dec. 28
Mansfield Theatres pfd.	7%	3½%	Jan. 15	Dec. 28
MacKinnon Steel pref.	7%	1¾%	Jan. 30	Dec. 31
Montreal L. H. & Pr.	$1.50	38c	Feb. 1	Jan. 15
Montreal Telegraph	8%	2%	Jan. 31	Dec. 31
Mitchell, Robt.	$1	25c	Jan. 15	Dec. 31
McColl Frontenac, pref.	$6	$1.50	Jan. 15	Dec. 31
McLeod Oils	...	5c	Jan. 15	Dec. 31
Montreal Tramways	$10	$2.50	Jan. 25	Jan. 5
Monarch Mtge. & Inv., pfd.	8%	2%	Jan. 15	Jan. 7
Northern Ont. Power	$2	50c	Jan. 15	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
Pressed Metals	25c	6¼c	Jan. 25	Dec. 31
Penmans, pref.	6%	1½%	Jan. 2	Dec. 15
Premier Gold Mines	12c	3c	Feb. 1	Jan. 21
Power Corp., pref.	6%	1½%	Jan. 4	Dec. 14
Do., non-cum. pfd.	6%	1½%	Jan. 15	Dec. 31
Power Corp., com.	$2	50c	Jan. 15	Dec. 31
Piggly Wiggly (Can.) pf.	$7	$3.50	Feb. 20	Jan. 30
Quebec Power	$2	50c	Jan. 9	Dec. 31
Russell Motor Car	2%	½ of 1%	Jan. 15	Dec. 23
Do., pref.	7%	1¾%	Feb. 1	Dec. 31
South. Can. Power com.	$1	25c	Feb. 1	Dec. 31
South. Can. Power pref.	6%	1½%	Feb. 15	Jan. 30
Steel of Canada	7%	1¾%	Jan. 15	Dec. 19
Do., pref.	7%	1¾%	Feb. 1	Jan. 7
Shawinigan W. & Pr.	$2	50c	Feb. 1	Jan. 7
Toronto Elevators pref.	7%	1¾%	Jan. 11	Dec. 18
Teck Hughes	60c	15c	Jan. 15	Jan. 2
Tuckett Tobacco, pref.	7%	1¾%	Feb. 1	Jan. 16
United Securities	$2	50c	Jan. 15	Dec. 31
Western Grocers, pref.	7%	1¾%	Jan. 15	Dec. 31

†Plus stock dividend of one share for every twenty shs. held.
‡Or payable in stock 1/50 of a share.

Dividends Passed or Deferred:
Can. Dredge, com., Feb. 1, passed. Last paid 75c., Nov. 2, 1931.
International Utilities "A" Jan. 15, deferred. Last paid 87½c. Oct. 15, 1931
Marcus Loew's pref. Jan. 15, passed. Last paid $3.50 July 15, 1931
Penmans, com., Feb. 15, deferred. Last paid Nov. 16, 1931.
International Power, pref. Jan. 1, deferred. Last paid 1¾% Oct. 1, 1931.

Dividend Rate Reduced:
Can. Bronze c. 31¼c. Feb. 1. Reduced from $2.50 to $1.25 per annum.
Granby Consolidated 12½c. Feb. 1. Reduced from $1 to 50c. per annum.
Canada Dry 30c. Jan. 15. Reduced from $3 to $1.20 per annum.
Can. Car, com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.
Quebec Power, 50c. Jan. 15, reduced from $2.50 to $2 per annum.
Pressed Metals 6¼c Jan. 2. Reduced from 50c. to 25c. per annum.
Great West Life $5 Jan. 2. Reduced from $7.50 to $5 quarterly.
Russell Motor Car, com. ½ of 1% Feb. 1. Reduced from $3 to $2 per annum.

Extra Dividends:
Can. Industries, Jan. 30, $1 per share.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd.,
Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 April	80.07	6.00
Alberta	5	1 July, 1943	1 July	91.53	6.00
Alberta	6	1 Apr., 1936	1 April	99.80	6.05
British Columbia	4½	1 Oct., 1953	1 April	84.69	5.75
British Columbia	5	15 Jan., 1948	15 Jan.	92.08	5.75
British Columbia	6	15 Aug., 1941	15 Feb.	101.50	5.80
Manitoba	4	1 July, 1947	1 July	80.00	6.00
Manitoba	5	2 June, 1959	2 June	86.61	6.00
Manitoba	5	15 June, 1943	15 June	91.78	6.00
New Brunswick	4½	1 June, 1948	1 June	90.76	5.35
New Brunswick	4¼	15 June, 1936	15 June	97.63	5.35
New Brunswick	6	1 Jan., 1936	1 July	102.17	5.45
Nova Scotia	4½	15 Nov., 1948	15 May	90.59	5.35
Nova Scotia	5	1 May, 1943	1 May	97.02	5.35
Nova Scotia	6	1 Nov., 1936	1 May	102.38	5.45
Ontario	4½	1 Sep., 1944	1 Mar.	92.55	5.30
Ontario	5	15 Oct., 1948	15 Apr.	96.67	5.30
Ontario	6	2 May, 1936	2 May	101.97	5.50
P. E. I.	4	1 Apr., 1939	1 Apr.	90.88	5.50
P. E. I.	4½	1 Oct., 1944	1 April	90.80	5.50
Quebec	4½	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 April	85.78	6.10
Saskatchewan	5	1 Oct., 1950	1 April	87.72	6.10
Saskatchewan	6	1 Feb., 1936	1 Feb.	99.23	6.20
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	93.94	5.40
Toronto	4½	1 Sep., 1954	1 Mar.	88.23	5.40
Vancouver	4	1 Aug., 1946	1 Feb.	80.40	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	90.88	6.05
Edmonton	5½	1 May, 1945	1 May	88.63	6.80
Calgary	5	1 Jan., 1943	1 July	85.80	6.80
Halifax	6	1 July, 1951	1 July	103.80	5.50
Saint John	5	15 Dec., 1950	15 June	94.15	5.50
Regina	4½	1 July, 1950	1 July	88.52	6.80
Victoria	5	21 July, 1945	21 Jan.	89.75	6.10
Quebec	5	1 June, 1948	1 June	98.35	5.15

WPG. ELECTRIC BOND INTEREST SPECULATED ON

May Pay Only Canadian Funds—Offer to Sell to City

From Our Own Correspondent

MONTREAL. — Rumors have been current to the effect that Winnipeg Electric Co. proposes paying bond interest in Canadian, rather than in American funds. The official prospectuses state that interest is payable at the Bank of Montreal in Montreal or New York and it was generally supposed that interest could be demanded in American funds.

There is no official confirmation to this story, which has gained wide credence. The next bond interest payments do not fall due until April 2, and it is unlikely that any action will be taken immediately.

Offer to Sell

Meanwhile Winnipeg dispatches state that Edward Anderson, president of the company, has told the civic committee on transportation that if the city of Winnipeg was prepared seriously to consider purchase of the Winnipeg Electric Co., the company would negotiate with $25,000,000 as a basis.

Mr. Anderson is quoted as saying that the estimated value of the company's street railway is $12,000,000; its electrical distribution system, $9,000,000, and its gas system $4,000,000. The Committee is said to have promised to take the matter under consideration early in January.

Want Better Terms

This offer culminates a series of moves on the part of the company to strengthen its position in the Winnipeg utility field. The company has long protested against the present franchise as being obsolete and imposing too great a burden upon the tram operations. Winnipeg Electric has been successful in securing increased tramway fares. The tax on gross earnings and the paving tax, however, remain in effect and cost the company several hundred thousands of dollars yearly.

Previously an attempt was made to sell the tramway system to the city, but little headway was made. Last year A. J. Nesbitt, of Nesbitt, Thomson and Co., made an offer for the city's hydro system, but this was not taken up by the city. It appears to be a case of the city buying out Winnipeg Electric; Winnipeg Electric buying out the civic system; or the city giving into the demands of the company.

Developments surrounding Winnipeg Electric over the past year have not been encouraging either to the shareholders or bondholders, but so far the management has not issued a statement setting forth clearly and fully the position of the company in respect to its negotiations with the civic authorities.

Earnings Are Down

Financial returns of the company this year have been on a lower scale than in 1930. Though income in November last showed an improvement in respect to net revenue, returns for the eleven months period are nearly $130,000 under last year's figure.

Between January and the end of November, 1931, gross revenue amounted to $5,276,797 and operating expenses $3,696,342, leaving a net income of $1,580,455. For the same period of 1930 gross income amounted to $5.682,136, operating expenses $3,973,539 and net revenue $1,708,597.

Imperial Bank Director

W. B. WOODS

Elected a director of the Imperial Bank of Canada in succession to his father, the late Sir James Woods, who was also vice-president. Mr. Woods is vice-president of Gordon Mackay & Co., Ltd., and president of Toronto Hosiery Co., Ltd.

PENMANS DEFER DIVIDEND ACTION COMMON STOCK

Directors Wait for Final Results Before Declaration

From Our Own Correspondent

MONTREAL.—Directors of Penmans Ltd. have deferred dividend action on the company's common shares until the results of operations for 1931 are known. The regular quarterly dividend of 1½ per cent has been declared on the preferred stock for the quarter ending January 31, 1932.

There are 64,518 shares of common stock of no par value outstanding on which payments have been made at the rate of $4 a share annually since 1928. At that date the shares were split three for one, prior to 1928 a dividend of 8 per cent plus a bonus of 2 per cent had been paid since 1920.

Earnings Likely Lower

Profits of the company during 1931 are not expected to show an improvement over last year, when net earnings were $332,977 compared with $675,729 in the previous year. Last year no provision was made for depreciation and earnings were equal to $1.93 a share on the common. Payment of dividends at the rate of $4 a share incurred a deficit of $133,310 after other charges.

Penmans is one of the largest manufacturers of woollen, cotton and knitted goods in Canada. Its products include hosiery, underwear, sweaters, blankets and a wide variety of knit goods which are marketed by John Gordon and Sons throughout Canada. A substantial export business has been built up in the past but it is possible that this division has been affected through the existing exchange situation.

To date this year Penmans has declared three quarterly dividends of $1 each on its common shares; what the final dividend for 1931 will be depends on the decision of directors.

Company	Rate	Date	Amount
Chas. Gurd	50c.q	1	30,000
Do., pref.	1¾q	1	4,725
Great West Life	$5q	2	50,000
Greening Wire pfd.	1¾q	1	11,375
Halifax Fire Ins.	60c.s	2	120,000
Highland Dairy pfd.	1¾q	2	3,263
Hollinger Mines	1%	.	246,000
Holt Renfrew	1¾	2	17,500
Honey Dew, pref.	$1.75q	2	26,250
Howe Sound	50c.q	15	248,019
Hunts, "A" & "B"	35c.q	2	11,779
Huron & Erie Mtg.	2q	2	100,000
Imperial Life	$3.75q	2	37,500
Inv. Found. pfd.	38c.q	15	14,148
Internat. Coal	⅛s	2	5,000
Do., pref.	4s	2	8,412
Inter. Utilities pfd.	43¾c.q	15	38,048
Int. Hydro-Elec. "A"	‡50c.q	15	410,556
Do., Conv. pref.	87½c.q	15	124,949
Jamaica Pub. Ser.	25c.q	2	11,250
Do., pref.	1¾q	2	13,125
Lambton Loan	5s	2	39,485
Landed Bkg. & Loan	2q	2	20,000
Loew's London pref.	5½%	1	17,714
McColl Fron. pfd.	$1.50	15	120,057
McLeod Oil	5c	25	13,120
Mansfield Theat., pfd.	3½s	30	26,250
Midland Loan & Sav.	5+*2s	2	25,200
Mitchell, J. S., pfd.	1¾q	2	6,097
Mitchell, Robt.	25c.q	15	17,500
Monarch Mtg. & Inv. pfd.	2q	15	9,435
Montreal C. & D. Bk.	3+*1q	2	80,000
Montreal Fin. pf.	$1s	2	20,000
Montreal L. H. & Pr.	38c	31	1,551,796
Montreal Telegraph	2q	15	40,000
Montreal Tramways	$2.50q	15	175,000
Moore Corp.	25c.q	2	78,492
Do., pref. "A" & "B"	$1.75q	2	86,852
Nat. Breweries	40c.q	2	288,548
Do., pref.	43c.q	2	47,730
Nat. Steel Car	50c.q	2	65,000
National Trust	3½q	2	105,000
Niagara Wire Weav.	25c.q	2	10,000
Do., pref.	75c.q	2	16,500
N. Star Oil, pfd.	1¾q	2	17,500
Northern Ont. Pr.	50c.q	25	120,007
Do., pref.	1½q	25	37,489
N.S. Light & Pr. ord.	$1q	2	84,523
Ogilvie Flour, c.	$2q	2	150,000
Ont. Loan & Deb.	3q	2	60,000
Orange Crush 1st pfd.	1¾q	1	11,375
Ottawa Light, H. & P.	1½q	1	52,500
Do., pref.	1¾q	1	24,375
Page Hersey	$1.25q	1	217,665
Do., pref.	1¾q	1	427
Perfection Pete, pfd.	37½cq	1	3,687
Piggly Wiggly (Can.) pf.	$3.50s	9	2,275
Pioneer Gold, B.C.	3c.q	2	50,151
Porto Rico Pr., pfd.	1¾q	2	17,500
Power Corp. pref.	1¾q	15	78,000
Do., non-cum. pfd.	1¾q	15	75,000
Premier Gold Mines	3c.q	4	150,000
Pressed Metals	6¼cq	2	6,923
Price Bros., pfd.	1¾q	2	107,211
Prov. Paper pfd.	1¾q	2	61,250
Real Estate Loan	$3.50s	2	17,500
Riverside Silk Mills	50c.q	2	15,000
Robinson Cons. Cone	37½c.q	1	18,750
Quebec Power	50c.q	15	276,599
Shawinigan W. & Pr.	50c.q	11	1,089,125
South. Can. Pwr. pfd.	1½q	15	101,395
Standard Fuel, pfd.	1¾q	1	22,627
Stand. Steel, pfd. "A"	75c.q	1	7,342
Sterling Trust	3s	1	23,586
Sun Life Assur.	$6.25q	1	125,000
Supersilk Hosiery pfd.	3½s	2	21,000
Supertest Pete. com. & ord.	25c.q	2	27,500
Do., pref. "A"	1¾q	2	6,125
Do., pref. "B"	1¾q	2	3,000
Tamblyn's, pref.	1¾q	1	10,815
Thayers, pref.	87½c	2	8,750
Thrift Stores, 1st pfd.	40⅝c.q	1	5,687
Do., 2nd pref.	17½c.q	1	2,100
Tip Top Tailors pfd.	1¾q	2	23,706
Toronto Elevators pfd.	1¾q	15	26,200
Toronto Gen. Trusts	3q	2	90,000
Toronto Mortgage	3q	1	29,241
Trusts & Guarantee	3s	2	59,301
Tuckett Tob. pref.	1¾q	15	17,500
Twin City, pref.	$1.75q	2	52,540
United Secs. com.	50c	15	25,630
Union Trust	1¾q	2	17,500
Viau Biscuit pfd.	1¾q	2	17,500
Do., 2nd pref.	1¾q	2	8,225
Weston Bisc., c.	25c.q	1	12,500
Western Assur. c.	2s	2	22,000
Do., pref.	6s	2	18,000
West. Grocers pref.	1¾q	15	20,899
West Koot. Pr. pfd.	1¾q	2	8,750
Wright-Hargre.	2½+*2½c.q	1	275,000
			$20,400,598

*Bonus.
†Stock dividend.
‡Or payable in stock 1/50 share of class "A" for each share of class "A" held.
q—Quarterly.
s—Half-yearly.

Dividend Changes Cut January Total

Payments Will Amount to $20,400,598 as Compared With $27,959,397 in January, 1931; 20 Companies Make Decrease

Dividend payments by Canadian corporations during January, 1932, will total $20,400,598 as compared with $27,959,397 in the corresponding month of 1931, $30,310,039 in 1930 and $27,263,509 in the same month of 1929. The list of companies passing payment of dividends or reducing dividend rate is the largest for some time. Declaration of extra dividends has been made by seven companies.

Ten companies have passed dividends and in most cases the recent action follows previous action taken on the same stock or junior stocks. Dividends will not be paid on the preferred stocks of Hamilton Cottons, Marcus Loew's Theatres, United Fuel Investments, Winnipeg Electric Co., International Power Co. and on the 7 per cent preferred of Abitibi Power & Paper Co. Dividend has been passed on the class A stock of International Utilities and on the common stocks of Price Bros. and Gould's Pumps Ltd.

The dividend rate has been reduced on the stocks of ten companies, two preferred issues and nine common issues being affected. Comparison of the last quarterly dividend paid with the payment declared for January is as follows:

Company	Stock	Paid last Quarter	Payable in Jan.
Can. Canners	conv. pfd.	.20	.17
Can. Gen. Inv.	Com.	.20	.15
Canada Dry Ginger Ale	Com.	.75	.30
Dominion Glass	Com.	$1.75	$1.25
Gt. West Life Ass.	Com.	$7.50	$5.00
Intercolonial Coal	Com.	*$1.00	*.50
Montreal Finance	Pref.		*$1.00
Niagara Wire Weaving	Com.	.37½	.25
Quebec Pwr. Co.	Com.	.62½	.50
Pressed Metals	Com.	.12½	.06¼
Western Assur.	Com.	*8.00	*2.00

*Semi-annual payment.

Midland Loan & Savings and Central Canada Loan have both declared an extra dividend of 2 per cent. Dominion Stores is paying an extra of 30 cents in addition to the regular quarterly dividend of 30 cents. Canadian Industries Ltd. is paying an extra of $1 per share, Consolidated Mining & Smelting Co. a 5 per cent dividend in addition to the regular $1.25 cash payment for the quarter. Guarantee Co. of North America is paying a 5 per cent quarterly bonus and Wright-Hargreaves a bonus of 2½ cents per share.

[illegible] dividend payment during January, as compiled by The Financial Post, are as follows:

SUMMARY OF PAYMENTS

Dividends	$20,400,598
Bond interest	17,965,348
Total	$38,365,946

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Agnew Surpass pref.	1¾q	2	17,105
Assoc. Breweries	15c.q	1	33,690
Do., pref.	1¾q	1	24,500
Assoc. Tel. & Tel. "A"	$1+50q	1	172,500
Bk. of N. Scotia	4q	2	480,000
Bell Telephone	2q	15	1,492,660
Brand.-Hend. pfd.	1¾q	2	8,750
Brantford Cord., pfd.	2q	15	84,098
Brazilian Tr. pref.	1¼q	2	5,901
British Amer. Oil	20c.q	2	524,528
B.C. Elec. Pr. & Gas, pfd.	1¼q	2	75,000
B.C. Pwr. "A"	50c.q	15	500,000
Brit. Mtg. & Trust	6s	2	46,962
Bldg. Prod. "A" & "B"	50c.q	2	60,423
Burt, F. N.	75c.q	2	80,460
Do., pref.	$1.75q	2	1,190
Calgary Power	1¼q	2	52,500
Canada Bread 1st pfd.	1¾q	2	21,875
Canada Bud Brew.	25c.q	15	31,500
Canada Dry	30c.q	15	151,586
Can. Northern Pr.	20c.q	25	75,000
Do., pref.	1¾q	15	96,250
Can. Perm. Mtge.	3q	2	210,000
Canada Trust	5s	2	50,000
Can. Canners	5c.q	2	6,889
Do., 1st pref.	1¼q	2	68,356
Do., convert. pfd.	17c.q	2	61,834
Can. Car. pref.	44c.q	11	132,000
Can. Cottons pref.	1¼q	4	54,922
Can. Fairbanks pfd.	1½q	15	22,500
Can. General Elec.	$1q	1	149,759
Do., pref.	1¾q	1	188,845
Can. Gen. Invest.	15c.q	2	92,250
Can. Industries	62½c+$1	30	1,081,754
Do., pref.	1¾q	15	81,375
Can. Light & Pr.	1½%	15	16,624
Can. Oil, pref.	2q	1	40,000
Can. Westinghouse	50c.q	1	270,000
Can. Wire Box "A"	25c.q	1	19,000
Central Can. Loan	3+*2q	2	125,000
Chartered Trust	1¾q	2	15,000
Conduits, pref.	1¾q	1	4,375
Cons. Bakeries	25c.q	2	79,610
Cons. Smelters	$1.25+5%†	15	3,351,150
Consumers Gas	2½q	2	331,250
Crescent Cream. pfd.	1¾q	15	17,500
Crown Trust	1¾q	2	17,500
Dome Mines	25c.q	20	250,000
Dominion Bank	3q	2	210,000
Dominion Fire	3s	2	8,907
Dominion Glass	1¾q	2	53,125
Do., pref.	1¾q	2	45,500
Dom. Rubber pfd.	1¾q	1	52,500
Dominion Stores	30+*30c.q	2	166,629
Dominion Textile	$1.25q	2	337,500
Do., pref.	1¾q	15	33,960
Dufferin Pav. 1st pf.	$1.75q	2	32,525
East. Can. Savings	$2q	2	15,000
Eastern Steel	50c.s	1	29,900
Do., pref.	$1.75q	1	5,911
East. Theatres pfd.	3½s	30	14,500
Edmonton C. Dairy pfd.	1¾q	2	13,776
Eastern Trust	$2q	2	20,000
English Elec. "A"	75cq	15	30,000
Ensign Insurance	3s	2	6,000
Fanny Farmer	25c.q	1	25,000
Do., pref.	60c.q	1	10,557
Freiman, A. J. pfd.	1½q	2	14,317
General Trust, pref.	$1.50q	2	16,500
Goderich Elevator	35c.q	1	29,402
Goodyear Tire	$1.25q	2	160,787
Do., pref.	1¾q	2	129,854
Gould Pumps pref.	1¾q	2	13,080
Guar. Co. of N. Amer.	3+*5q	15	24,368

BOND INTEREST DUE IN JANUARY

Company	Interest Rate	Date	Due	Amt.
Acadia Sugar	7	1	1946	$ 24,101
Do.	6	1	1946	68,121
Aldred Invest. "A"	4½	2	1968	56,250
Atlantic Sugar	6	1	Serial	2,100
Avalon Tele. "A"	5½	1	1948	20,625
Avon River Pr. "A"	5½	1	1956	17,875
Do., "B"	5½	1	1957	5,318
Beauhar. Elec. "A"	6	2	1958	40,500
Canada Iron	6	1	1939	14,400
Can. Canners	6	2	1950	78,152
Can. Cons. Rubber	5	1	1947	200,000
Can. Cottons	5	2	1940	99,002
Can. Int. Pap.	6	1	1949	742,500
Can. Light & Pr.	5	1	1949	78,485
Can. Locomotive	6	1	1951	45,000
Can. Pac. Rlys.	4½	1	1960	562,500
Do.	5	1	1944	750,000
Cedars Rapids	5	1	1953	353,027
Chat. St. L. Apts.	6½	1	1940	22,330
Chomedy Apts.	6	1	1950	6,300
Cities Heating	6	1	1948	5,250
Dom. Tar & Chem. "A" & "B"	6	2	1949	165,000
Eastern Twp. Tele.	6	2	1932	3,459
Fraser Co.	6	1	1950	246,060
Do., conv. notes	6	1	1932	105,000
Getty & Scott	7	2	1940	6,387
Harris Abattoir "A"	6	1	1947	106,752
Inter. City Baking "A"	5½	1	1948	44,000
Inter. Paper	5	1	1947	416,567
Int. Pr. & P. Nfld.	5	1	1968	121,650
Jam. Pub. Ser. "B"	5	1	1950	50,000
La Patrie Pub.	6½	1	1943	13,500
Manitoba Pr. "A"	5½	1	1951	275,000
Do., "B"	5½	1	1952	68,750
Maritime Tele.	6	1	1941	45,000
Do., refund. "A"	5	1	1956	25,000
Metropol. Bldg.	7	15	1944	32,875
Montreal Apts.	5½	1	1948	110,000
Mont. L. & Pr.	4½	1	1932	142,335
Montreal Trams. "A"	5	1	1941	533,775
Moirs, Ltd.	6½	1	1946	50,472
Moodie, J. R., "A"	6	1	1948	22,500
Nfld. L. & Pr. "A"	6½	1	1949	43,728
Do., mtge. debs.	7	1	1949	16,992
Do., 1st mtge.	5½	1	1971	22,000
Nor. Mex. Pwr.	7	1	1938	16,100
North. Ont. L. & Pr.	6	1	1953	15,450
Northwestern Pr.	6	2	1960	300,000
Ont. Power Ser.	5½	1	1950	550,000
Ont. Steel Prod.	6	1	1943	8,094
Oshawa Bldgs.	6½	1	1943	7,637
Ottawa Gas	5	1	1934	3,750
Ott. Traction "A"	5½	1	1955	77,192
Profess. Offices	7	1	Serial	7,822
Reliance Grain "A"	6	2	1948	57,525
Rio Janeiro 1st mtg.	5	1	1935	625,000
Royal Ex. Bldg.	6	2	1948	14,370
Ruddy, E. L.	6½	1	1948	23,400
Saguenay Elec.	5½	1	1953	87,400
Shaw. Falls Term.	5	1	1957	3,555
Sher. Rly. 1st mtg.	5	1	1940	16,950
Simpson's, Ltd. "A"	6	2	1949	294,066
Do., "B"	5½	2	1949	34,375
Simpson, Robt.	5	1	1952	39,235
Steel of Canada	6	1	1940	132,297
Sterling Coal	6	1	1940	22,398
St. Cath. St. Rlty.	6½	1	1946	8,612
St. Jas. Ct. Apts.	6½	30	Serial	6,743
St. Law Flour	6	1	1941	2,400
200 St. Clair	7	1	1945	5,666
Un. Gas & Fuel	5½	1	1948	50,063
United Grain "A"	5	2	1948	86,125
Vancouver Pr. deb.	4½	2	Perp.	154,593
Do., debs.	4½	15	1953	3,501
Viau Biscuit	6½	1	1946	11,355
Vict. Manor Apts.	7	21	Serial	4,725
Western Grain	6	2	1949	87,540
Western Power	5	1	1949	102,747
Windsor Hotel	6½	1	1943	72,497
Winnipeg Elec. 1st ref.	5	1	1935	125,000
Corporation bonds				8,860,321
Municipal bonds				*5,285,027
Provincial bonds				*3,820,000
Total				17,965,348

*Figure is determined by dividing by 12 the ultimate total interest payable during the year on these issues.

Holt, Gundy and Co. Change Corporate Title

From Our Own Correspondent

MONTREAL. — Supplementary letters patents have been issued by the Province of Quebec changing the name of the company "Holt, Gundy and Co.," to that of Electric Securities Co. Ltd.

Holt, Gundy and Co., in the past two years, have been interested in the formation and promotion of a number of companies in the public utility field.

May Form Credit Unions

In their first official bulletin the United Fishermen announce that the organization of new credit unions is contemplated as a solution to the financial problems of fishermen in the Maritimes and the Magdalen Islands. Plans for this, the bulletin says, are now being studied by Dr. M. M. Cody, of St. Francis Xavier University, who organized the United Maritime Fishermen in 1930.

DAVID ET FRERE CURRENT SALES AT HIGHER LEVEL

Earnings for 1930 Will Reflect Effects of Competition

From Our Own Correspondent

MONTREAL.—Sales of David et Frère, biscuit manufacturers, continue to show improvement and business during the Christmas season is stated to have been satisfactory. Both November and December have shown good gains over sales of preceding months though it should be remembered that business during the summer showed a sharp contraction.

As yet no official information is available regarding earnings for the past year. Whether profits have been sufficient to cover the disbursements on the class "A" stock remains to be seen; that earnings have shown a decline was indicated in the reduction in dividend payments in August.

The stock was formerly on an annual basis of $2.25 a share; payments are now made at the rate of $1 a share. During the past year, therefore, there has been distributed $1.62¼ a share on the "A" stock. In 1930 David et Frère earnings were equal to $4.66 a share.

Benefits of the agreement recently effected between biscuit manufacturers in the Province of Quebec continue to be apparent. Prior to efforts to stabilize the market price-cutting was rampant and some manufacturers are stated to have been selling their products as low as 5 cents a pound, a price which, it is claimed, precludes any margin of profit.

In recent months, however, larger manufacturers have accomplished much in moving to stop price slashing and though competition remains keen there has been evident a stronger tone to the biscuit market.

McColl Earnings On Larger Scale

From Our Own Correspondent

MONTREAL.—During the eight months of the current fiscal year ended September 30 last, McColl-Frontenac Oil Company's net earnings were in excess of 2½ times preferred dividends for the period, after an even more liberal allowance for depreciation than in 1930.

During the fiscal year ended January 31 last, the company showed a net profit of $1,191,984 available for dividends on the preferred and common stocks. This was equivalent to $14,89 a share on the preferred stock, which carries a dividend of $6. In the preceding fiscal year preferred stock earnings amounted to $17.76 a share.

RHOKANA DEVELOPS LARGE-SCALE MINE

Another Rhodesian Low Cost Producer Starts in March

At the ordinary general meeting of Bwana M'Kubwa, which owns 550,000 shares in the Rhokana Corp., Sir Edmund Davis, chairman and managing director, said that the indicated ore reserves of Rhokana Corp. amounted to more than 270,000,000 tons of 4.3 per cent ore containing nearly 12,000,000 short tons of copper. Rhokana also had a large interest in Mufulira Copper Mines whose indicated ore reserves amounted to 162,000,000 tons of 4.14 per cent copper containing between 6,500,000 and 7,000,000 short tons of copper.

The chairman expected that Rhokana would be able to get its costs as low as Roan Antelope, and possibly even lower because of the higher copper content of the ore. The rated present capacity of Rhokana's plant was 150,000 short tons of copper per annum.

At the meeting of the Rhokana Corp. earlier on the same day, December 16, in London Sir Auckland Geddes, chairman, referred to the completion during the year of the merger of Bwana M'Kubwa, Rhokana and N.Changa Copper Mines. The N'Changa Copper Mines, he said, had spent £1,250,000 sterling in developing its property.

Sir Auckland said that one unit of the company's concentrator started on December 11 and that the smelter would be in operation about March 1, 1932. Blister copper would be shipped soon thereafter and a contract had been made by which it would be refined on favorable terms.

The company had decided after careful consideration to eliminate 11 out of 14 special grant areas which had been marked out in its prospecting programme. The mining rights are being kept over Chingola, Mimbula and Kakosa in addition to N'Changa.

Obituary

W. M. Spencer, first vice-president of the London Life Insurance Co., died in London, Ont., on December 22, 1931. Mr. Spencer was one of the original promoters of the Imperial Oil Co. of which he was secretary for sixteen years. He was elected a director of The London Life Insurance Co. in 1912 and first vice-president in February, 1920.

W. G. Laird — Supervisor of the Imperial Bank of Canada at Winnipeg, died December 16. Mr. Laird joined the Imperial Bank staff at Ottawa in January, 1903, and after being attached to head office staff was transferred to the inspection department in Calgary in January, 1909. He was appointed inspector in November, 1916, at Winnipeg, and later supervisor in March, 1922.

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Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low	Last Year High (Premium)	Last Year Low
December 23	22	21 3-4	11-64	5-32
December 24	22 1-2	21 3-4	11-64	5-32
December 25	.....	.....	....	....
December 26	22 3-8	22 1-4	9-64	1-8
December 28	23 1-4	22 3-8	9-64	1-8
December 29	23 3-4	23 1-4	11-64	1-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
December 23	3.41 1-4	3.92 7-8	5.09
December 24	3.43 1-4	3.92 5-8	5.09 1-4
December 25	....	....	....
December 26	....	....	....
December 28	3.42 3-4	3.92 1-8	5.08 1-2
December 29	3.41 1-2	3.92	5.08 1-2

FOREIGN EXCHANGE

Par		Dec. 15	Dec. 22	Dec. 29
5.26	Italian	6.38¾	6.21¾	6.26⅜
23.80	German	29.72¾	28.98¾	29.34¾
13.90	Belgian	17.30	16.98	17.16
49.80	Japanese	53.59	49.41	45.91

Mining Stock Quotations

Week ending December 28

Par Val	Range 1931 High	Range 1931 Low	Company	Sales	Close Dec. 21 (or last)	High for week	Low for week	Close Dec. 28
1	.23	.02¾	Abana	2,300	.05	.04	.04	.04
1	.03	.01	Aconda	500	.01¼	.01½	.01½	.01½
1	.05¾	.03½	Adrien	.....	.04¾	.....	.....	.....
No	.50	.12	Aldermac	.....	.25	.....	.....	.....
1	.20½	.06¼	Alexandria	67,550	.08¼	.14	.10	.12
1	.05	.00⅜	Algonquin	2,000	.00⅜	.00⅛	.00⅛	.00⅛
1	.02½	.01	Amity C.	1,000	.01¼	.01	.01	.01
No	.45	.12	Amulet	2,026	.22	.22	.20½	.22
1	.02½	.00⅛	Apex	.....	.00¾	.....	.....	.....
1	.05	.01	Area	2,600	.01¼	.01½	.01¼	.01½
1	.01	.00½	Argo. Cons.	.....	.01	.....	.....	.....
No	.08½	.01¼	Arno	8,700	.02	.02	.01½	.02
1	.01½	.01	Astoria	.....	.01	.....	.....	.....
1	.02	.00½	Atlas	.....	.00¾	.....	.....	.....
1	.08¼	.03	Bagamac	.....	.03¾	.....	.....	.....
1	.02¾	.00¼	Baldwin	.....	.00½	.....	.....	.....
1	.19¾	.08	Barry Hollinger	9,950	.09	.09	.08½	.09
No	1.45	.75	Base Metals	100	.95	.95	.93	.95
No	.04	.00¼	Bathurst	.....	.03	.....	.....	.....
5s	1.75	.60	B'Wana McKubwa	.....	1.00	.....	.....	.....
1	.28	.26	Ben Nevis	.....	.27	.....	.....	.....
No	.37½	.10	Bidgood	52,900	.11	.13	.10	.11
1	.50	.08	Big Missouri	6,050	.15	.16	.14	.15
1	.05½	.04½	Blue Quartz	.....	.04¾	.....	.....	.....
1	.12	.01½	Bobjo	8,500	.02	.02¼	.02	.02¼
No	.01	.00½	Boischatel	.....	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	3,000	.07	.07	.07	.07
1	.08	.03	Brit. Canadian	.....	.03	.....	.....	.....
No	.12	.02½	Brownlee	8,320	.03¼	.03	.02¼	.02¼
1	.02	.00½	Buckingham	500	.00⅜	.00¾	.00⅜	.00⅜
No	.30	.19	Buffalo Can.	5,500	.23½	.25	.23	.23
No	.08½	.02	Bunker Hill	1,000	.02	.02	.02	.02
No	.03	.01	Cal. Flin Flon	.....	.01	.....	.....	.....
1	.04	.01	Cambro Kirk.	.....	.04	.....	.....	.....
No	.05¾	.02	Canam Metals	.....	.02	.....	.....	.....
1	.06¼	.01	Can. Kirkland	9,000	.02	.02¼	.02	.02
1	.02	.02	Can. Lorraine	.....	.02	.....	.....	.....
1	.32½	.06	Canusa	13,000	.07	.07½	.06	.06
1	.04¾	.00½	Capital Rouyn	8,000	.01½	.01¼	.01½	.01½
1	.30	.14	Castle Trethewey	14,300	.16	.16	.14	.14
1	.23	.08	Cen. Manitoba	200	.07	.07	.07	.07
1	.17	.05	Cen. Patricia	3,250	.06	.08	.07	.08
1	.03	.01½	Champion R.	.....	.02½	.....	.....	.....
No	.59	.02	Chib. Prospect	1,000	.07	.08	.08	.08
No	.08	.00½	Clericy	.....	.01½	.....	.....	.....
5	10.50	7.50	Coast Copper	50	8.10	8.75	8.75	8.75
1	.05¼	.01	Cobalt Contact	42,500	.01¼	.02	.01½	.01½
1	.02	.00½	Col. Kirkland	.....	.01½	.....	.....	.....
1	.39	.05	Columario	1,500	.06¼	.06¼	.06	.06
5	1.50	.50	Coniagas	.....	1.00	.....	.....	.....
No	.62	.25	Coniaurum	.....	.30	.....	.....	.....
25	188.25	64.00	Cons. Smelters	861	71.00	72.00	65.00	66.00
1	.40	.15	Cons. Venus	.....	.40	.....	.....	.....
1	.01	.00½	Corona	.....	.00¼	.....	.....	.....
1	.02½	.00½	Crown Reserve	.....	.01	.....	.....	.....
No	.21	.03	Dom. Explorers	10,650	.06¼	.06¼	.06	.06¼
1	.03	.00½	Dom. Kirkland	.....	.00⅞	.....	.....	.....
No	13.40	8.00	Dome Mines	3,021	9.50	9.75	9.25	9.25
1	.01	.00½	Don Rouyn	.....	.01	.....	.....	.....
No	.33	.30	Donald Woolsey	.....	.30	.....	.....	.....
1	.01	.00½	Dunkin	.....	.00½	.....	.....	.....
1	.02½	.00½	Duprat	.....	.01¼	.....	.....	.....
1	1.68	.20	Eldorado	2,205	.88	.92	.90	.92
No	1.70	.90	Falconbridge	1,660	1.10	1.00	1.00	1.00
1	.08½	.02	Federal	.....	.04	.....	.....	.....
No	.01½	.00½	Flintoba	10,500	.00½	.00¼	.00⅛	.00⅛
No	.30	.06	Gem Lake	3,500	.08	.07½	.07½	.07½
No	.04¼	.01½	Gilbec	.....	.02	.....	.....	.....
1	.08	.02	Goldale	5,000	.02	.02½	.02	.02
10	.25	.08	Goldfield	.....	.11	.....	.....	.....
1	.01½	.00½	Gold Hill	.....	.00½	.....	.....	.....
1	.11	.02½	Goodfish	500	.03	.03	.03	.03
1	.04	.00¼	Graham	500	.01	.00¼	.00¼	.00¼
No	2.30	1.09	Granada	920	1.11	1.12	1.09	1.09
1	.18	.06	Grozelle	52,174	.15	.18	.18	.18
1	.03	.01	Harker	.....	.02	.....	.....	.....
	.39	.31	Harvey	.....	.35	.....	.....	.....
1	.08½	.07½	Hayden	.....	.08	.....	.....	.....
No	.30	.29	Halliwell	.....	.21	.....	.....	.....
1	.05	.00½	Hilltop	12,509	.01¼	.01⅞	.01½	.01½
5	8.70	4.60	Hollinger	1,670	5.20	5.30	5.25	5.25
1	.40	.20	Howey Gold	5,840	.32	.32	.30	.32
No	6.30	2.00	Hudson Bay	3,295	2.80	2.95	2.51	2.51
No	.40	.20	Huronian	.....	.20	.....	.....	.....
No	20.50	8.12	Int. Nickel	3,059	10.00	10.00	9.25	9.50
1	.03	.00¼	Jackson Manion	4,000	.01¼	.01½	.01½	.01½
1	.35	.21	Keeley	.....	.28	.....	.....	.....
1	.04¼	.00¼	Keora M.	13,500	.02	.02½	.02	.02
1	1.00	.27½	Kirk. Hud. Bay	.....	.76½	.....	.....	.....
1	.03	.00⅛	Kirk. Hunton	6,000	.01½	.01¼	.01¼	.01¼
1	.93	.38	Kirkland Lake	11,075	.52	.62	.49	.51
1	.08	.01	Kirk. Premier	500	.01¼	.01½	.01¼	.01¼
1	.25	.05¼	Kirk. Townsite	4,500	.13	.13½	.13	.13
20c	.02½	.00½	Koot. Florence	1,000	.01	.00⅝	.00⅝	.00⅝
1	.02	.00¼	La Rose	.....	.01	.....	.....	.....
1	.69	.38	Lakeland	200	.45	.43	.43	.43
1	29.95	20.00	Lake Shore	935	26.70	27.50	26.60	27.50
1	.02	.00½	Laval	1,000	.00½	.00½	.00½	.00½
1	.04	.01½	Lebel Oro	.....	.02	.....	.....	.....
No	.35	.35	Locarno	.....	.35	.....	.....	.....
1	.55	.10	Macassa	2,600	.38	.38	.38	.38
1	.12	.02	Malartic	.....	.03	.....	.....	.....
No	.15	.05	Mandy	500	.08	.05	.05	.05
No	.06	.01	Manitoba Basin	1,000	.01¼	.01¼	.01¼	.01¼
1	.55	.20	McKinley	.....	.35	.....	.....	.....
5	26.50	13.95	McIntyre	530	16.55	17.50	16.60	16.75
No	.33	.06	McLeod River	16,800	.06½	.06½	.06	.06
1	.04	.04	McVittie	.....	.04	.....	.....	.....
1	.22	.03	MacMillan	.....	.10	.....	.....	.....
1	.01½	.00½	Millcrest	.....	.01	.....	.....	.....
No	2.84	1.10	Mining Corp.	300	1.35	1.35	1.30	1.30
	.34	.01	Moffatt Hall	52,800	.07½	.08	.07	.07
	.04	.02½	Moneta	.....	.03	.....	.....	.....
	.00½	.00¼	Mtl. Rouyn	.....	.00½	.....	.....	.....
	.63	.20	Moss	15,600	.33	.33	.30	.31
	.09	.01	Murphy	500	.01⅞	.02	.01½	.01½
	.07½	.02	Newbec	2,100	.03	.03	.02¼	.03
	.40	.25	Nevada	.....	.25	.....	.....	.....
	.09	.02	Night Hawk	.....	.02	.....	.....	.....
	1.90	.80	Nipissing	1,380	1.15	1.25	1.10	1.10
	29.65	11.75	Noranda	6,492	15.75	16.15	14.75	15.00
	.50	.18	Nor. Canada	700	.22	.21½	.21½	.21½
	.03	.00¼	Old Colony	.....	.00½	.....	.....	.....
	.01	.00¼	Ophir	.....	.00⅜	.....	.....	.....
	.10¾	.02	Oriole	4,500	.02¼	.02¼	.02	.02¼
	.21	.07	Osisko	.....	.07¾	.....	.....	.....
	.25	.20	Parkhill	.....	.24	.....	.....	.....
	.15	.07	Patricia Dent	2,000	.11½	.11½	.11	.11
	.05	.01½	Pawnee Kirk.	.....	.02	.....	.....	.....
		.60	Pend Oreille	1,200	.85	.85	.82	.82
		.00¾	Pete. Cobalt	9,000	.01½	.01¼	.01	.01
		.25	Phoenix Molybd.	.....	.25	.....	.....	.....
		.00¼	Picard	.....	.00½	.....	.....	.....
		.00¼	Porc. Crown	.....	.00¼	.....	.....	.....
		.00⅜	Potter Doal	.....	.01½	.....	.....	.....
		.30	Powell Rouyn	.....	.30	.....	.....	.....
		.40	Premier Gold	1,500	.59	.61	.59	.61
		.00¾	Preston E. Dome	500	.00¾	.00½	.00½	.00½
		.15	Prospectors Air's	.....	.15	.....	.....	.....
		.07	Quemont	100	.10	.10	.10	.10
		.00¼	Ribago	6,000	.01½	.01½	.01	.01½
		.24	Rich. Rock	.....	.33	.....	.....	.....
		.01½	Ritchie	3,000	.01½	.01⅞	.01⅜	.01⅝
		.00½	Robb Montbray	500	.01½	.00⅞	.00⅞	.00⅞
		.04	Rubec	.....	.04	.....	.....	.....
		.25	San Antonio	1,000	.35	.39	.39	.39
		.10	Seven Troughs	.....	.10	.....	.....	.....
		.40	Sherritt Gordon	6,893	.65	.66	.62	.65
		.36	Siscoe	15,905	.51	.60	.50	.52
		.02	South Keora	.....	.03	.....	.....	.....
		.01	Stadacona	6,000	.01¾	.01¼	.01⅜	.01⅜
		.03½	St. Anthony	2,700	.09	.12	.11½	.12
		.35	Sudbury Basin	1,100	.44	.42	.40	.42
		.01	Sudbury Contact	.....	.01½	.....	.....	.....
		.00¼	Sudbury Mines	4,500	.00½	.00¼	.00¼	.00¼
		.01	Sudbury Nickel	.....	.03¼	.....	.....	.....
1	.19	.07	Sullivan	500	.10	.10	.10	.10
1	1.14	.48	Sylvanite	6,050	.60	.60	.57	.58
1	.20½	.04	Tashota	500	.07	.06½	.06¼	.06¼
1	8.65	4.51	Teck Hughes	9,915	4.84	4.90	4.65	4.68
1	.10½	.01	Telluride	.....	.01	.....	.....	.....
1	.01½	.01	Temiskaming	.....	.01¼	.....	.....	.....
1	.06½	.02½	Thom. Cadillac	.....	.02¾	.....	.....	.....
1	.02½	.00½	Tough Oakes	.....	.01	.....	.....	.....
1	.63	.17	Towagmac	1,000	.35	.30	.30	.30
No	2.65	.90	Treadwell	.....	.90	.....	.....	.....
No	2.85	2.40	Tri-Metals	.....	2.85	.....	.....	.....
1	.15	.04	United Kirkland	2,000	.08	.09	.09	.09
1	.03	.01	Vacuum Gas	.....	.01	.....	.....	.....
No	.86	.35½	Ventures	14,725	.48	.50	.47	.48
1	.19	.01½	Vickers	700	.13	.14	.14	.14
1	1.22	.37	Vipond	1,300	.48	.46	.42	.42
No	2.00	.75	Waite Ackerman	200	1.00	.80	.75	.80
1	.02¼	.01	West Tree	.....	.01	.....	.....	.....
1	.27	.03½	White Lake	5,000	.04½	.03½	.03¼	.03¼
1	.06	.01½	Wiltsey	1,000	.01½	.01½	.01½	.01½
No	.01½	.00½	Windfall R.	.....	.01	.....	.....	.....
	.13	.03½	Wood Kirk	.....	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	5,525	2.72	2.73	2.66	2.72

WESTERN OIL STOCKS

Par Val	Range 1931 High	Range 1931 Low	Company	Sales	Close Dec. 21 (or last)	High for week	Low for week	Close Dec. 28
1	.38	.12	Acme	6,100	.14	.15¼	.13¼	.15
1	.37½	.05	Alta. Pacific	355	.10	.10	.10	.10
1	.08	.07	Amalgamated	.....	.08	.....	.....	.....
	.01	.01	Askalta	.....	.01	.....	.....	.....
No	.25	.04	Associated	600	.06	.06	.06	.06
1	1.89	1.00	Ajax	1,800	1.05	1.06	1.01	1.04
No	.12	.02	Baltac	.....	.03	.....	.....	.....
1	.07	.02	Black Diamond	.....	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	.....	.05	.....	.....	.....
1	.32	.03	Calmont	700	.07	.06	.06	.06
No	.82	.20	Calgary & Ed.	500	.36	.38	.37	.38
1	.47	.06	Comm. Pete.	400	.10	.08	.07	.08
No	.29½	.26½	Crudome	.....	.28½	.....	.....	.....
No	.60	.12	Dalhousie	50	.20	.20	.20	.20
No	.08	.01¼	Devenish	.....	.01¼	.....	.....	.....
No	.12	.01½	Dome Oil	100	.02	.02	.02	.02
No	.69	.05	East Crest	300	.10½	.12	.11	.12
1	.05	.00¼	Fabyan Pete.	.....	.01½	.....	.....	.....
No	.60	.05	Foothills	100	.07	.10	.10	.10
No	.18½	.02	Freehold	.....	.04¼	.....	.....	.....
1	.02	.00½	Great West	.....	.00½	.....	.....	.....
No	.17	.03	Hargal	400	.03½	.04	.04	.04
No	.10	.03	Herron Pete.	.....	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	.....	.05	.....	.....	.....
No	2.00	.30	Home	100	.40	.40	.40	.40
No	.22	.02½	Homestead	.....	.04½	.....	.....	.....
1	1.70	.35	Homest'd O. & G.	2,400	.45	.42	.39	.40
	.10	.09	Hylo	.....	.09	.....	.....	.....
1	.08½	.00½	Illinois Alta.	1,000	.00⅜	.00½	.00⅜	.00⅜
No	.70	.10½	Lowery	.....	.18	.....	.....	.....
1	.05	.00¼	Madison	2,200	.01¼	.01¼	.01¼	.01¼
1	.55	.12	Mayland	.....	.15	.....	.....	.....
No	.11	.02½	McD. Segur Ex.	.....	.03¾	.....	.....	.....
1	.29	.01½	McD. Segur N.	.....	.04	.....	.....	.....
1	.72½	.25	McLeod	450	.48	.45½	.45½	.45½
No	.39	.07½	Mercury	1,200	.11	.09½	.09½	.09½
No	.20	.04	Merland	1,000	.08½	.05	.05	.05
No	.38	.08	Mill City Pete.	.....	.11	.....	.....	.....
1	.49	.11	Model	730	.13	.16	.14	.16
1	.18	.02	Moualta	.....	.07	.....	.....	.....
1	.31	.05	Moose Mountain	.....	.05	.....	.....	.....
1	.04	.00¼	New Federal	.....	.00½	.....	.....	.....
No	.56	.10	Nordon	22,500	.12½	.12	.10	.11
No	.11	.02	Oil Selection	2,000	.03½	.03½	.03	.03½
No	.28	.03	Okalta	1,200	.05	.05	.05	.05
100	27.00	8.00	Do., pref.	.....	9.00	.....	.....	.....
No	.24	.05	Olga Gas & Oil	200	.17	.16	.16	.16
1	.37½	.17	Petrol	.....	.21	.....	.....	.....
No	.28	.01	Penn. Pete.	18,000	.01½	.01¼	.01¼	.01¼
No	.25	.07	Ranchmen's	200	.09	.10	.10	.10
1	.05	.01	Regent	.....	.01	.....	.....	.....
No	.13	.01½	Richfield	.....	.02½	.....	.....	.....
No	17.75	5.00	Royalite	110	6.25	6.50	6.35	6.50
1	.82	.10	Sarnia Oil	.....	.12	.....	.....	.....
1	.00½	.01	Signal Hill	.....	.03	.....	.....	.....
No	.27	.05	South West Pete.	800	.05	.10	.05	.10
1	.60	.12	Spooner	50	.18	.17	.17	.17
No	.19	.04½	Sterling Pacific	1,000	.07	.11	.11	.11
	.15	.15	Turner Basin	.....	.15	.....	.....	.....
1	.16	.05	Turner Valley	.....	.10	.....	.....	.....
No	.31	.05	United	520	.08	.07½	.07	.07
1	.15½	.05	Vulcan	.....	.10	.....	.....	.....
No	.05	.00½	Wainwell	.....	.00½	.....	.....	.....
1	.28	.08	Waite Valley	.....	.06½	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transaction for week to December 23)

Par Val	Range 1931 High	Range 1931 Low	Company	Sales	Close Dec. 21 (or last)	High for week	Low for week	Close Dec. 28
25c	.01	.00½	Bayview	.....	.00½	.....	.....	.....
20c	.07½	.01	Beaver Silver	.....	.05	.....	.....	.....
25c	.06	.00½	Bluebird	2,500	.04	.03½	.02½	.02½
25c	.80	.40	B. C. Silver	100	.80	.40	.40	.40
25c	.02	.00½	Cork Province	.....	.01	.....	.....	.....
1	.29	.06	Cotton Belt	1,000	.10	.08	.08	.08
1	.03	.02	Dalhousie	.....	.02½	.....	.....	.....
1	.04	.02	Dunwell	.....	.02	.....	.....	.....
1	.10	.02	Duthie	.....	.02½	.....	.....	.....
1	.90	.39	George Copper	.....	.50	.....	.....	.....
50c	.05	.01	Geo. Enterprise	.....	.02	.....	.....	.....
1	.05	.01½	Georgia River	12,500	.03⅛	.03¼	.02½	.02½
1	.45	.17	Golconda	.....	.25	.....	.....	.....
50c	.10	.03	Grandview	2,850	.06½	.06¼	.05¼	.06
No	27.50	17.00	Howe Sound	.....	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	.....	.11	.....	.....	.....
1	.02	.01	Independence	.....	.01¼	.....	.....	.....
1	.02	.01	Indian Mines	.....	.02	.....	.....	.....
1	.43	.22	Jack Waite	.....	.25	.....	.....	.....
25c	.02	.00½	Kootenay King	.....	.01	.....	.....	.....
25c	.02	.00¼	L. & L.	.....	.02	.....	.....	.....
1	.12½	.05	Lorne Gold	18,590	.11¾	.12½	.11	.11½
1	.12	.12	Los Ang. Van.	.....	.12	.....	.....	.....
10c	.05	.01½	Lucky Jim	.....	.03	.....	.....	.....
2.50	.01	.00½	Marmot Gold	.....	.00½	.....	.....	.....
	.09	.07	Metaline Metals	11,500	.....	.09	.07	.09
1	.05	.01	Morton Woolsey	500	.08	.02¼	.02¼	.02¼
50c	.05¼	.01	National Silver	27,000	.03½	.03	.02½	.02½
50c	.10¼	.04	Noble Five	7,500	.07½	.07¼	.06¾	.07
50c	.12½	.02	Oregon Copper	2,000	.02	.02	.02	.02
1	3.35	1.23	Pioneer Gold	3,945	3.15	3.15	2.95	3.00
No	.02	.00½	Premier Border	.....	.01	.....	.....	.....
50c	.13	.03	Porter Idaho	5,700	.09	.08½	.08	.08½
No	.55	.20	Reeves McDonald	1,000	.28	.30	.30	.30
1	.28	.11	Reno Gold	100	.21	.20	.20	.20
1	.04	.01	Rufus Argenta	.....	.01	.....	.....	.....
1	.09	.02½	Ruth Hope	.....	.06	.....	.....	.....
1	.07½	.03	Silverado	2,500	.03	.04	.04	.04
25c	.04½	.00½	Silver Crest	3,000	.02½	.02½	.02	.02
50c	.05	.00¼	Snowflake	.....	.02	.....	.....	.....
1	.45	.25	Sunloch	.....	.25	.....	.....	.....
50c	.02½	.01	Topley Rich	.....	.02	.....	.....	.....
5	.20	.05	Toric	.....	.05	.....	.....	.....
20c	.01	.00½	Wellington	.....	.01	.....	.....	.....
1	.08	.02	Whitewater	1,000	.05	.05	.05	.05
No	.03½	.00½	Woodbine	.....	.01	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield
Cons. Smelters	$2.50+a	3.78
Dome Mines	$1	10.81
Granby	50c.	....
Hollinger	65c+3	13.33
Howe Sound	$2	....
Inter. Nickel	20c.	2.10
Lake Shore	$2+50c.	9.09
McIntyre	$1	5.97
McLeod Oils	5c.	....
Mercury Oil	5c.	....
Model Oils	9c.	....

	Rate	Yield
Noranda	30c.	3.33
Premier	12c.	....
Pioneer, B.C.	12c.	4.00
Royalite	50c.	....
Spooner Oils	6c.	....
Sylvanite	4c.	....
Teck Hughes	60c.+5	13.88
United Oils	5c.	....
Wellington Oil	5c.	....
Wright-Har.	10+2½c.	4.39

a. Stock bonus 1 share for each 20 shares held.

Canadian Mining News

ROAN ANTELOPE CARVES BIG MINE IN AFRICAN BUSH

With Native Labor Established as One of World's Cheapest Producers

Roan Antelope Copper Mines has to date proved over 100,000,000 tons of ore with an average copper content of about 3.44 per cent. According to the chairman, A. Chester Beatty, there still remain over 4,000 acres not tested, but on which it is known that the Roan series of ore-breaking rocks exists.

Production commenced in June. The plant has been proved to have a production capacity of 75,000 short tons or 68,000 long tons of copper per annum, largely in excess of the rated capacity. A high degree of efficiency has been obtained even at this early period of operation. Operating costs are considerably below the most sanguine expectations of the promoters and a substantial margin of operating surplus, even with copper selling at its unprecedentedly low level of today, is reported.

The average price of copper during the last 30 years has been something like £68 per long ton of electrolytic copper. In normal times, therefore, Roan with its low costs would have made enormous profits. It has only completed the first construction and development stage, but when the copper market becomes healthier it is intended to duplicate the plant, which can be done at a comparatively moderate cost.

Can Produce 75,000 Tons

A large community comfortably housed under healthy conditions has been built up out of what was a short time ago uninhabited African bush. An abundant supply of native labor is reported to be available and it is stated that at all the mines in the district considerable numbers of natives applying for work have had to be turned away.

The output of Roan Antelope for October was 4,529 tons of copper at a cost of £35 2s. 4d. per ton and for November 4,362 long tons at a cost of £30 3s. 6d. per ton. During the first half of December there were milled 83,000 tons of ore of an average grade of 3.85 per cent copper and the smelter production was 2,557 short tons of blister copper.

The proved capacity of the plant represents an annual copper output on average ore of 75,000 short tons compared with the estimated capacity of 45,000 long tons.

Selling Whole Output

The current operating cost of about £30 per ton achieved in the six months after the commencement of milling operations, makes the company one of the cheapest copper producers in the world. A proportion of the production was derived from stockpile ore, accumulated from the development of the mine against which there was no charge for mining, but only the cost of reclaiming and delivering to the mill. On the other hand, prior to the starting of smelting operations on October 19 concentrates were shipped abroad for treatment involving heavy freight charges, so that these two factors practically balance one another.

The costs mentioned represent all in costs of electrolytic copper at the refinery, the London price of which is now about £42 per long ton. These costs include all realization charges and working expenditures at the mine and in London, with the exception of interest charges and depreciation. The decision of the Northern Rhodesian Government to follow Great Britain in departing from the gold standard has materially helped the company. The copper production from the beginning of operations has all been sold and at an average figure which leaves an operating surplus above working costs, even including the production made during the trial crushing period when costs naturally were above normal.

Roan copper is exceptionally free from impurities and the blister copper now being produced assays over 99.5 per cent copper. The company expects to establish a considerable market for its product, both as blister copper and as fire refined copper. This gives a considerable saving over an electrolytic cost.

Trail Receipts

Following is a statement of ore received at the Trail smelter, for the period December 15 to 21, 1931, inclusive:

Name of mine	Tons
Bell, Beaverdell	52
Knobhill, Republic	52
Perrier, Nelson	90
San Poil, Republic	50
Union, Lynch Creek	35
Total	279
Total company	8,732
Grand total	9,011

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Treadwell Yukon Closes Errington

Treadwell Yukon Mining Co. has decided to close down the Errington Mine at Sudbury, according to current advices. The pilot mill for the concentration of the ores of the Errington Mine has not been in operation for 12 months. The low level of metal prices decided the company on its action which felt that there was nothing to be gained by operating in order to sell copper, lead and zinc at present prices.

The Errington development was initiated in July, 1925, and about $5,000,000 has been spent on the property to date. The close-down order throws about 29 men out of work, mostly farmers from the Chelmsford section. The pumps will not be worked and the underground workings will be allowed to fill with water.

RHODESIAN MINES WILL CO-OPERATE IN CURTAILMENT

Mufulira Delays Operation to Permit More Economical Mining By Others

Reports from South Africa indicate full-hearted co-operation will come from Rhodesian mines in connection with the gentleman's agreement of large copper producers the world over to curtail production to 26½ per cent of potential.

Reports to hand show that A. Chester Beatty, chairman of Roan Antelope Copper Mines, at the general meeting in London, on December 18, argued that the restriction agreement would be of advantage to the Rhodesian mines even though they had proved unquestionably that they ranked among the cheapest producers in the world and could operate at a profit even at present day prices which are by far the lowest in the history of the industry.

Expects Better Copper Market

Mr. Beatty stated that a lack of agreement would entail an unhealthy condition in the copper market and though some shareholders might regard a drastic cut in production as being harmful to the value of the business he felt that the more drastic the curtailment the sooner there would be a return to improved market conditions. He felt that in the meantime it was far better to make a fair profit on a smaller production for a short time than a small profit on a large production over a long period, particularly as he believed that the proposed measure would bring about a healthy condition in the copper market at a comparatively early date.

Mufulira Defers Operation

Reports from other sources indicate that the Northern Rhodesian output will come only from Roan Antelope, and from Rhokana's N'Kana mine and smelters. Benefits, however, will be shared between Roan Antelope, Rhokana Corp. and Rhodesian Selection Trust. The Mufulira plant, which was to start within a few weeks, has arranged that Roan Antelope Copper Mines and Rhokana Corp. will produce the company's quota of copper production for 1932. As the Mufulira property is owned approximately one-third by Rhokana and two-thirds by Rhodesian Selection Trust, this arrangement was easily come to. Important economies will be made, it is felt, by producing the total tonnage of the quotas of the three companies from two plants instead of three. The arrangement made is that the benefit of the sale of about two-thirds of the Mufulira Company's quota will accrue directly to Rhodesian Selection Trust.

CANADIAN COPPER MUST BE EXPORTED

Present Production Shows Large Surplus Over Consumptive Needs

Until quite recently all but a small amount of copper produced in Canada was shipped abroad in the form of ore, matte, blister to undergo further treatment to bring it to the refined stage in which it is required by fabricators of copper. Canadian manufacturers then had to import this refined copper to use it in their businesses. There are today, however, copper refineries in Canada capable of turning out refined copper greatly in excess of Canadian consumption.

Must Export Copper

The total production of copper in all forms in 1929 in Canada was about 124,000 tons. Canada, however, now has facilities for the refining of about 210,000 tons of copper annually. This excess of refining capacity over mine production may have seemed large to some observers in view of the fact that the Allenby, Britannia and Eustis mines export all their production to the United States in the form of concentrates and reduce the Canadian copper available to Canadian smelters by 34,778 tons. A considerable quantity of nickel-copper matte will also necessarily continue to go abroad for treatment, but it is believed that the Flin Flon and the Sherritt-Gordon will in time fill the gap when the conditions of the world's metal market warrant the necessary increase in mine output.

The Canadian consumption of copper in 1929 was 92,500,000 pounds, in addition to 8,000,000 or 9,000,000 pounds of copper contained in imported manufactures for which no weights are available, in imported brass and in chemical compounds of copper. The total estimated Canadian consumption, therefore, is around 100,000,000 pounds or about 50,000 tons.

Even if Canada's whole present consumption of copper is supplied from Canadian sources there would still remain a large surplus of new copper for which an outlet must be found in foreign markets. That is so with the present rate of production and it will become increasingly so in the future.

DOME MINES LUCKY GETTING INTEREST IN EAST GEDULD

President Kruger's Old Farm is Scene of Valuable Gold Mines

East Geduld Mines, in which Dome Mines acquired a substantial interest last June, promises to rank among the leading dividend payers on the Rand gold field, according to a despatch from the Wall Street Journal's London Bureau.

The Geduld farm, on the eastern portion of which the company has mining rights over 2,640 claims, was formerly the property of President Kruger. The authorized capital of East Geduld Mines is £1,800,000 in £1 shares of which 1,500,000 shares have been issued and are fully paid. The area held by the company exceeds six square miles.

May Extend Mill

The ore body, Main Reef Leader of Modder Reef, is between 2,500 and 3,000 feet deep and the first vertical shaft intersected it at 2,834 feet, where it was 19 inches wide and assayed 1 oz. 6 dwt. gold a ton. At the end of 1930 ore reserves were reported to be 3,900,000 tons with an average value of 7 dwt. gold a ton over an assumed stoping width of 58 inches.

A treatment plant opened in July, 1931, is expected to settle down soon to a monthly basis of 60,000 tons. The mill capacity may be enlarged as this is lower than the tonnage of nearby mills. The proved ore reserves are equal to four years requirements of the existing mill.

What Did Dome Pay?

Based on experience with the neighbor mine, Geduld, estimates of a life of 32 years are made or 24 years if the mill capacity is raised to 1,000,000 tons annually. The Geduld is making £540,000 annually on a treatment of 1,000,000 tons of ore. The East Geduld's reserves at the end of 1930 were about 2 shillings a ton higher than Geduld's. As East Geduld may have to pay about 1 shilling a ton for royalty to the government the distributable profit is estimated tentatively at 8 shillings 6 pence a ton. That would permit dividends yearly of 20 to 25 per cent on the par value of the stock and 30 per cent if the mill capacity is raised to 1,000,000 tons annually.

The market on the London Stock Exchange was 58s. 9d. before Great Britain went off the gold standard. If the South African government goes off the gold standard, gold mines there would benefit as in Canada because they would then receive a gold premium.

East Geduld was fortunate in being able to open up huge blocks of ore by means of nine headings driven from the underground workings of the adjoining Geduld mine.

It is hoped that the annual report of Dome Mines will contain information as to the price paid for an interest in this profitable property.

ASHLEY GOLD WORK AT DEPTH IS ENCOURAGING

High-grade Section Wider and Richer on Two Lower Levels

The Ashley Gold Mining Corp., the Mining Corp. subsidiary which is doing the key work on the original find on the Ashley vein in the Matachewan area of Ontario, has just cut the vein on the 375-ft. and 500-ft. levels.

Channel sampling on the 375-ft. level across the vein indicates that the high-grade section is wider and richer than on the 125-ft. and 250-ft. levels. Assays have not yet come forward for the channel sampling on the 500-ft. level but it is expected that values will not be so high but the width of the vein is double that shown on the 375-ft. level.

Drifting will proceed as quickly as possible and when sufficient of the vein has been exposed on the two new levels to give a fair idea of average width and values, an official announcement will be made. It is expected that electric power will be made available by Northern Ontario Power Co. about February 1, 1932, when mining operations will be greatly increased.

GOLD, PETROLEUM HAVE HIGHER TOTAL

The report of mineral production for the first nine months of the current year as compared with the similar period in 1930, as reported on by the Dominion Bureau of Statistics, shows only two minerals, gold and petroleum, as having a greater production in 1931 than in 1930.

The following tabulation shows a respective volume of production for these sixteen minerals.

Production of Leading Minerals in Canada

	9 months ending September	
	1930	1931
Asbestos, tons	178,843	118,607
Cement, brls.	8,738,730	7,778,060
Clay products, $	7,986,247	6,755,259
Coal, tons	10,587,812	8,502,111
Copper, lb.	236,090,030	225,000,709
Feldspar, tons	19,056	12,385
Gold, fine oz.	1,497,757	1,962,889
Gypsum, tons	808,255	660,004
Lead, lb.	252,117,370	208,541,164
Lime, tons	378,497	279,131
Nat. gas, M. cu. ft.	21,016,753	19,288,044
Nickel, lb.	83,824,670	55,471,432
Petroleum, brls.	1,015,073	1,278,483
Salt, tons	210,609	118,580
Silver, fine oz.	19,697,088	16,562,919
Zinc, lb.	193,939,365	190,143,006

CAN. CRUDE OIL PRODUCTION HIGHER

A report on the petroleum production in Canada by the Dominion Bureau of Statistics showed a further decline in October when 99,924 barrels were produced as compared with 101,435 barrels in September and 167,446 barrels in October.

Alberta wells accounted for 89.1 per cent of the Canadian output in October and the Ontario wells 10.4 per cent, while New Brunswick's output was one-half of one per cent. For the first ten months of the current year Canadian production was 1,370,407 barrels or an increase of 16.6 per cent over the total output in a corresponding period in 1930.

Canada Holds Its Pace As Copper Producer

Costs of Production Average About Same as in States But Nickel and Noranda Are Lower Cost Producers

The United States, which until 1927, produced more than half of the world's copper, now produces about 40 per cent. Other countries have gradually attacked the United States' domination and aided by lower production costs have been stealing American markets. Canada is one of the countries that has greatly increased its copper production but so rapid has been the increase throughout the world at large that this country's relative percentage of world production has not risen greatly.

Is Important Metal

Copper is the most important of the non-ferrous base metals, whether considered from the viewpoint of tonnage produced, market value, or economic utility. Since 1914 the world's production has averaged about 1,425,000 short tons a year compared with an annual average of about 1,166,000 short tons of lead and 1,109,000 short tons of zinc.

The average value of the world's annual supply of copper has been about 340 million dollars. In point of value, gold is somewhat more important with an average annual output value at 394 million dollars during the period 1914-1930.

For many years the United States has been by far the leading producer and consumer of copper and until recently has produced more than half the total supply.

Copper is produced from a great variety of ores which, as a rule, contain very low percentages of the metal—the average ore mined at the present time containing not over 2 per cent. Among the low-grade copper deposits in Canada are Howe Sound, Granby and Flin Flon. Higher grade producers are Noranda and International Nickel. The production of commercially pure copper from low-grade ores is a complicated technical process involving the use of extensive and varied equipment and the application of a high degree of skill.

Has Many Uses

The uses of copper are almost as diverse as are those of steel. The present development of the electrical industry would probably have been impossible without an ample supply of copper. The strength, ductility, and corrosion-resisting properties of the metal make it pre-eminently useful in the construction of buildings; in the manufacture of certain types of machinery, such as automobiles; in the manufacture of chemical apparatus, and equipment for the handling of liquids and vapors. Many of the most important non-ferrous alloys, notably brass and bronze, have copper as one of the chief components.

U. S. Copper Industry

In recent years copper mining in the United States has produced annually about 60,000,000 short tons of ore containing about 1,000,000 short tons of copper. In the last five years the domestic output averaged about 48 per cent of the world total, but in 1930 the proportion fell to 40 per cent. For the years immediately preceding the World War, 1911 to 1914, the domestic mine output averaged about 590,000 short tons annually, or about 56 per cent of the world production during that period.

Copper smelting in the United States produces annually about 1,000,000 short tons of unrefined copper from about 7,000,000 short tons of concentrates, direct smelting ore, and intermediate products, mostly of domestic origin but including some imported material.

United States copper refineries have an annual output of about 1,400,000 short tons of refined copper. About 61 per cent of this quantity is derived from domestic ores, 12 per cent from domestic used scrap, and 27 per cent from imported ores, concentrates, and copper metal.

The greater part of the United States copper industry is under the control of three groups of financial interests, each of which operates on the principles of vertical and horizontal integration, controlling mines, concentrators, smelteries, and refineries.

Rest of World Advances

In recent years the copper mining industry outside of the United States has produced more than 50,000,000 short tons of ore a year with a content of over 1,200,000 short tons of copper. Ten properties supply 70 per cent of the aggregate tonnage. Little financial relationship exists among the various capital groups. Chile is the largest producer with about 30 per cent of the total production outside of the United States and is followed in order by the Belgian Congo, Canada, Japan, and 14 countries of smaller output. In Rhodesia the output has been of small importance to date, but developments now under way should within the next two years place the country among the leading five producers.

Outside of the United States the copper smelting industry produced an average of about 975,000 short tons annually during the years 1928, 1929, and 1930. Chile is the leading producer, followed by Africa, Canada, and 17 countries of smaller production.

Copper refining in foreign countries is less extensively developed than smelting. New refining installations in Canada and Europe (principally in Belgium and in Great Britain) are expected to handle an increasingly large proportion of the tonnage originating in foreign mines. Chile and Canada are the largest producers at present.

This increase in foreign production of copper during the past decade has been due in part to the discovery of ore deposits, especially in Africa and Canada, and in part to the policy of certain foreign governments in seeking to provide adequate supplies of the metal either from their own domain or from their colonies and dominions. These new mining developments have intensified the pressure upon the world markets and have contributed to the present depression in the copper industry.

The new refining plants which have recently been constructed, or are in the process of construction, in countries outside the United States may be expected to divert from the United States refineries considerable quantities of foreign blister copper which have hitherto been brought to the United States for refining. It is to be expected that American producers and refiners of copper will in the future encounter more severe competition than hitherto.

The average grade of ore mined in the United States is only about two-thirds of the average grade mined in foreign countries.

Costs Not Low in Canada

A recent report of the United States Tariff Commission shows that the cost of blister (that is, unrefined) copper at United States mines averages 11.87 cents while the average in other countries is given as 9.96 cents at the smelter. The report does not show Canada's costs but indicates that the average for Canada and Northern Mexico is 11.70 cents, practically the same as in the United States. Of course, International Nickel and Noranda show much lower costs than these.

Chile, Africa, Canada, Japan, and Mexico are the other principal copper-smelting countries. Peru and Spain come next. No other country contributes as much as 3 per cent of the world output of blister copper.

Chile, Canada, Germany, Belgium, and Japan, are the leading refiners of copper outside the United States, with no other country refining more than about 2 per cent of the total production of refined copper.

Canada Builds Refineries

The construction of large smelting and refining plants in Canada and Belgium and the projected construction of large refining facilities in France and England are developments of the last few years. They are examples of the post-war trend toward political control of necessary raw materials within the boundaries of important industrial countries or their colonies. The copper mined in Germany and Japan is likewise brought to the finished metallic condition within the country of orgin. A similar condition appears to prevail in Russia, though detailed information respecting plants and equipment is not available.

In Canada plants completed recently will avoid the diversion of most of the blister copper produced in that country to United States refineries; and in Belgium, France, and England plants completed or projected will handle African copper which was formerly refined in the United States.

Recent History of Industry

The copper industry in Japan, Peru, Mexico, Germany, and in Spain and Portugal, has undergone only normal changes in recent years, and no marked change is expected either through discoveries and development or the early depletion of reserves. The same thing may be said of the minor production in Cuba and Australia. Little information is available with respect to probable developments in Russia, but it is possible that the recent increase in production has been in line with the requirements of the country's developing industrialization. In Norway and in Serbia copper production is many times what it was during the late war and the tendency is still upward. The quantity, however, is not yet large enough to affect world output materially.

Of paramount importance are the recent developments in Africa, Chile, and Canada. African developments in the Belgian Congo and Northern Rhodesia, while foreseen for several years, have recently resulted in such increased output and give such promise of further increase as to attract the attention of the entire copper-producing industry. The Congo industry is controlled by the Belgian government and operated as part of a huge colonization enterprise having to do not only with the production of copper but with that of cobalt, radium, tin, precious metals, agricultural products, and the building of lines of communication, the clearing and sanitation of the jungle, and the education and civilization of the natives. The enterprise includes the construction of metal refining plants in Belgium, and contemplates further refining and fabricating plants to the end that Belgium may become independent of other countries for such metallic materials as can be produced within its control. This development, although begun before the war, has been pushed rapidly since 1920.

Huge Reserves in Africa

In Northern Rhodesia, copper developments which have not yet reached the full production stage, give promise of duplicating or even surpassing the results in the adjoining Congo. Present estimates indicate a tonnage of reserves five times as great as in the Congo of a grade approximately 4 per cent copper. Present plans contemplate the smelting and refining of these ores entirely within the British Empire.

In Canada, the most spectacular development is that of the huge Frood body of copper-nickel ore in the Sudbury district, Ontario. Smaller, but still of major importance, are the developments at Noranda, in Quebec, and at Flin Flon, in Manitoba. Smelting and refining plants have already been built in Canada to handle the resultant tonnages, so that the finished metal will be produced under British control.

African copper did not appear to be an outstanding factor, either potential or actual, in world trade, until well within the last five years.

The only regular and important producer prior to 1927 was the Union Miniere du Haut Katanga. It shipped interesting but not seriously competitive quantities, and were placed on the market under conditions beyond competition; that is, the copper was one of many mineral and agricultural products of a quasi-governmental agency, made and sold in the progress of a large colonization enterprise originally instituted in 1906 by the then King of Belgium. The basic differentiation from a strictly commercial enterprise still persists.

Other early African copper properties, locally important but of little weight in the aggregate of world output, and practically all situated on Colonial British territory, were:

Bwana Mkubwa, discovered about 1903 in Northern Rhodesia, was incorporated in 1910 and a 90-ton concentrator was operated intermittently between 1912 and 1918; was re-opened in 1922 and plant expanded; produced 7,268 short tons of copper in 1930, its largest annual production; and closed February, 1931.

Kansanshi, Northern Rhodesia, discovered in 1899, had produced some hundreds of tons of metal by 1914, but operations were suspended on the outbreak of the World War. The property was re-opened in 1927 and under further development during 1930.

Messina, Northern Transvaal, originally organized in 1905, was equipped with a small mill in 1908; the plant was later expanded to handle 200,000 tons of ore per year, including smelting and refining; and has produced between 5,000 and 10,000 short tons of copper annually since 1924.

The foregoing list is not exhaustive, but illustrative of the fact that African copper output was not of great consequence in world trade until very recent years.

It was not until 1923 that the significance of the outcrops of copper ores in Northern Rhodesia was recognized. In that year active diamond-drilling of some of these occurrences was started by the newly organized Rhodesian Congo Border Concession, Ltd., and copper ore bodies, remarkable as to both tonnage and grade, have been discovered and developed down to the present time by either the parent company or its subsidiaries or sublessees. In the aggregate, the copper ore reserves developed by the middle of 1931 may be put at 500,000,000 short tons, with an average copper content of 4 per cent.

The only figures of Union Miniére du Haut Katanga that are available for calculating copper costs are those of the consolidated balance sheets and profit and loss accounts as published in the company's annual reports. The company produces copper, cobalt, radium, and tin, and through subsidiaries produces and distributes electricity, sulphuric acid, coal, forest and farm products, operates railroad and river transportation, handles banking in the Congo, and participates in metal refining in Belgium. The purpose of these subsidiary activities is to serve the production of metals, and it appears from the financial statements that copper is by far the largest revenue producer and its gross cost of production credited or debited with the financial results of the other activities.

The figures below indicate the copper production of Canada, United States and of all countries outside the United States in recent years:

COPPER PRODUCTION IN SHORT TONS

	U.S.A. Output	Outside U.S.A.	Canada
1901-1905 average	366,095	306,496	21,337
1906-1910 average	490,248	372,618	20,164
1911-1914 average	589,390	461,231	35,380
1915-1918 average	888,814	564,428	54,688
1919-1923 average	588,635	481,322	35,414
1924	817,125	708,394	50,072
1925	837,435	735,717	56,239
1926	869,811	759,489	64,124
1927	842,020	834,942	70,698
1928	912,950	956,411	96,634
1929	1,001,432	1,100,756	121,151
1930	697,195	1,039,282	151,833

In an article in The Annalist, Percy E. Barbour shows that American capital is largely interested in both African and Canadian copper mines. He says:

"Canada includes International Nickel and Hudson Bay and Noranda in which American capital is largely, if not dominatingly, interested. In the Africans the American interests may be 25 per cent, may be more; some estimates run up to 40 per cent. But with the United States owning in its own country nearly two-thirds of the world's total, its equities in the Canadians and Africans probably bring its interest up to about three-quarters of the world's supply, which is not an unenviable position to be in from our own standpoint."

Mr. Barbour's estimate of the world's copper ore reserves is as follows:

	Tons Copper Metal in Ore Reserves
United States	19,458,000
South America, Mexico, Cuba and Central America, U. S. owned	34,550,000
Total U. S. owned	54,008,000
Canada	5,128,000
Africa	29,094,000
Spain, India, Australia	312,000
Total world (data available)	88,542,000

International Mining To Develop Alexandria

Agrees to Test Gold Property For 3 Months—If Satisfactory, Will Erect Mill and Bring Property Into Production

At the special meeting of shareholders of Alexandria Gold Mines held in Toronto on December 29, it was announced that arrangements had been concluded with the International Mining Corporation to take over the development of the Alexandria Mine, bring it to the producing stage and equip it with a 100-ton mill in consideration of a one-half interest in the property.

Officials reviewed to the shareholders the struggle the company has had in past months to raise finances which included optional arrangements with a New York group which did not prove satisfactory.

Test to Last 3 Months

The International Mining Corporation is headed by S. B. Thomson and H. W. Chadbourne and associates, a well-known and financially strong mining group in New York that were interested in the early days of Noranda and were responsible for bringing out its potentialities.

Under the terms of the new agreement, International Mining is to spend $4,000 per month for three months and take full charge of the operations of the mine.

If this examination confirms its present opinion, it will proceed to bring the property to the production stage and start construction of the 100 ton mill. For this expenditure, the company will take shares in the operating company, the Alexandria Mining Company, and upon the completion of the mill and its operations for 30 days, it will be given 50 per cent of the authorized capitalization of this company which consists of 3,000,000 shares of 50c. par value. The remaining 50 per cent will be retained by Alexandria Gold Mines.

Alexandria Mines consist of 7 Crown granted claims and 4 claims held by the right of location in the Phillips Arm section of the Nanaimo mining division, British Columbia, 150 miles north of Vancouver. The property is located at Tidewater, and served by the ocean going vessels three times a week from Vancouver. One of the features of the property is that its main adit portal is just above tidewater which makes for low transportation costs and accessibility.

Development has been extensively carried out through No. 1 tunnel from which the winze has been sunk and plans call for it to be continued to an immediate objective of 500 feet. The ore occurrences are confined to quartz veins, where the values occur either as free gold in the quartz or iron pyrites carrying values of both gold and silver. One hundred feet below the No. 1 adit a level has been opened up that confirms the downward extension of ore encountered on the main adit. Subsequent development at depth of the shaft showed the further continuation of the ore and indications point to its broadening and becoming of higher grade as depth is reached.

Conclusive Test Expected

With the interest of the International Mining in the enterprise, a conclusive development of the property is assured without resorting to promotional activities.

The history of Alexandria Gold, as is the case of so many British Columbia mines, is that although early development showed a property of promise difficulty was experienced in obtaining funds that would carry a development programme to conclusion.

Alexandria Gold Mines, the holding company, has an authorized capitalization of $5,000,000 in $1 par value shares of which approximately $4,000,000 is outstanding. Upon conclusion of its agreement it will have in addition to a 50 per cent interest in the Alexandria Mines, 840 acres in the Sudbury district, and 80 acres in Ben Nevis township, Ontario, which it proposes to explore once the Alexandria mine is in production.

Oil Well Progress Report

For Week Ending Dec. 26, 1931

Name of Well:	No.	Type	Depth last report feet	Present depth feet	Footage drilled feet	Remarks
Sterling Pacific	2	R.	5675	5748	73	Struck 20,000,000 of gas at 5,740 feet.
Lethbridge	1	S.	4385	4409	24	Drilling on hard shell casing lowered to 4,387 feet.

MINES

THE FINANCIAL POST SURVEY OF MINES is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry.

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